Financial Strategy Segments 2011

Data Profile

Financial Strategy Segments 2011

Overview

Coverage	Availability
	

Financial Strategy Segments 2011 is a person and household level segmentation which provides an unrivalled depth of insight into the financial behaviours of UK consumers

Financial Strategy Segments 2011 classifies all adults in the United Kingdom into:

- 14 household level groups (A–N).
- 50 household level types.

The household level types are further split into 93 person level types.

These are distinct financial lifestyle types which comprehensively describe the underlying factors which influence consumer behaviour, such as typical financial product holdings, behaviour and future intentions, as well as summarising their key socio-economic and demographic characteristics.

The financial landscape has changed and Financial Strategy Segments 2011 has been developed to reflect the unprecedented changes to the UK economy and the impact this has had on the way consumers utilise financial products and services. Since the global financial crisis, demand and availability of financial products has changed significantly. Consumers that previously relied on credit to maintain lifestyles have changed their behaviour, not always through choice, and those with significant financial assets have been looking at ways to mitigate risk to protect their financial future.

Financial Strategy Segments 2011 has been built with the latest available data to reflect these changes in behaviour supporting the targeting of products and services that are relevant to the consumer's needs.

Financial Strategy Segments 2011

Methodology

Data has been chosen for its ability to accurately describe financial behaviour. It is characterised by its volume, quality, consistency and sustainability. Data must meet the following criteria:

- Identify and describe consumer segments by individual or household.
- Maximise discrimination.
- Allow for the identification of a wide range of financial behaviours.
- Be updated annually to ensure the classification maintains an accurate and consistent view of financial behaviour at any point in time.

The information selected must be capable of distinguishing behaviour around a series of key dimensions including demographics, personal equity, investments, borrowings, debt, attitude, aspiration and channel choice.

Data Components

Quantitative Data

Financial Strategy Segments 2011 was built using over 300 individual data variables, across a series of key dimensions including:

- New income and mortgage models to offer greater differentiation of the UK population.
- New approach to normalising income to reflect geographic variations in the cost of living.
- Individual information including age, marital status, occupation and household composition.
- Financial information including income, outstanding mortgage and personal indebtedness.
- Property information including property type, value and tenure.
- Behavioural data from YouGov financial market research to determine product holdings, financial status, channel utilisation and influencers of financial behaviour.
- Experian's Hitwise online competitive intelligence of 8 million internet users used to provide an understanding of consumers' online financial behaviour.
- Experian's Economic forecasting data to understand the potential impact of changes.
- Experian's ConsumerView database – demographic and segmentation data providing a single customer view of every person and household in the UK.
- British Population Survey.
- ONS census data.

Financial Strategy Segments 2011

Financial Strategy Segments 2011 covers a wide range of financial services product holdings including:

- Short and long term credit.
- Savings and investments.
- Life and pensions.
- Personal and general insurance.
- Current accounts.

It also covers insight into behaviours towards their financial products including:

- Information and research sources sought to inform decisions.
- Channel preferences for purchasing and day to day management of products.
- Loyalty and switching behaviour.
- Attitude towards, and management of, debt.

This information is updated annually and used to replenish our view of the classification each year.

Qualitative Research

Supporting our statistical analysis is a comprehensive programme of market research. This draws upon the expertise of some of the UK's leading experts to analyse the broader social and economic trends that drive social change and influence our financial behaviour.

Accompanying this research are links to a number of other authoritative sources of media and market research, which build on our understanding of UK consumers. These include BMRB's Target Group Index (TGI), Expenditure and Food Survey (EFS), Forrester's Technographics and Internet User Monitor, Hitwise, the Consumer Credit Counselling Service and Experian's consumer surveys.

Financial Strategy Segments 2011

Group and Type Descriptions

Group		Type		Person Type	
A	Bright Futures	01	Equity Ambitions	01a	Ross or Emma
		02	Portable Assets	02a	Hassan
				02b	Anna
		03	Early Settlers	03a	Sam and Jodie
B	Single Endeavours	04	First Foundations	04a	Imran and Saima
		05	Urban Opportunities	05a	Ali
				05b	Nadia
		06	Flexible Margins	06a	Lukasz or Ewa
		07	Tomorrow's Earners	07a	Tom or Lauren
C	Young Essentials	08	Entry-level Workers	08a	Ashley or Chantelle
		09	Cash Stretchers	09a	Damian or Kerry
D	Growing Rewards	10	Career Priorities	10a	Max
				10b	Lara
		11	Upward Movers	11a	Simon
				11b	Juliet
		12	Family Progression	12a	Syed
				12b	Deepa
		13	Savvy Switchers	13a	Mark
				13b	Clare
E	Family Interest	14	New Nesters	14a	Matthew
				14b	Vikki
		15	Security Seekers	15a	Neil
				15b	Lisa
F	Accumulated Wealth	16	Premier Portfolios	16a	Alastair and Gabrielle
		17	Fast-track Fortunes	17a	Dominic and Susannah
		18	Asset Accruers	18a	Howard
				18b	Virginia
				18c	Cameron and Alexandra
		19	Self-made Success	19a	Hamish
				19b	Annabel
				19c	Calum and Georgia
		20	Golden Outlook	20a	Geoffrey
				20b	Vivien
				20c	Benjamin and Kate

Financial Strategy Segments 2011

Group		Type		Person Type	
G	Consolidating Assets	21	Sound Positions	21a	Ian
				21b	Kim
				21c	Jake and Holly
		22	Single Accumulators	22a	Will
				22b	Susie
		23	Mid-range Gains	23a	Nigel
				23b	Karen
		24	Extended Outlay	24a	Bharat
				24b	Jayshree
				24c	Jay and Sabrina
H	Balancing Budgets	25	Modest Mortgages	25a	Philip
				25b	Beverley
				25c	Liam and Ashleigh
		26	Overworked Resources	26a	Glen
				26b	Maxine
				26c	Connor and Chloe
		27	Self-reliant Realists	27a	Adrian or Yvette
		28	Canny Owners	28a	Kevin
				28b	Julie
		29	Squeezed Families	29a	Garry
				29b	Dawn
I	Stretched Finances	30	Pooled Kitty	30a	Dean and Terri
		31	High Demands	31a	Reece
				31b	Sharon
		32	Value Hunters	32a	Danny
				32b	Debbie
		33	Low Cost Living	33a	Tony
				33b	Lorraine
J	Established Reserves	34	Guaranteed Provision	34a	Roderick
				34b	Janis
				34c	Greg and Beth
		35	Steady Savers	35a	Trevor
				35b	Sandra
				35c	Adam and Katy
		36	Deferred Assurance	36a	Terrence
				36b	Susan
				36c	Luke and Dee
		37	Practical Preparers	37a	Dudley or Glenys

Financial Strategy Segments 2011

Group		Type		Person Type	
K	Seasoned Economy	38	Persistent Workers	38a	Kenneth
				38b	Ann
				38c	Scott and Nicky
		39	Lifelong Low-spenders	39a	Barry or Carol
		40	Experienced Renters	40a	Winston
				40b	Gloria
L	Platinum Pensions	41	Sage Investors	41a	Ralph and Diana
		42	Dignified Elders	42a	Maurice and Jeanne
		43	Comfortable Legacy	43a	Ivor or Dorothy
M	Sunset Security	44	Semi-retired Families	44a	Alfred
				44b	Molly
				44c	Ray and Kay
		45	Cautious Stewards	45a	Ira
				45b	Hannah
		46	Classic Moderation	46a	Harry or Olive
		47	Quiet Simplicity	47a	Albert or Mabel
N	Traditional Thrift	48	Senior Sufficiency	48a	Frederick
				48b	Lilian
		49	Ageing Fortitude	49a	Raymond
				49b	Norma
		50	State Veterans	50a	Arnold or Bessie

Household Level Group Descriptions

Group A: Bright Futures

Bright Futures are young professionals in their 20s and early 30s who are building their careers. They live alone in compact homes: some have decided to get on the property ladder and others have chosen to continue renting. Incomes are above average and have good potential to rise further as careers progress. Their finances are generally stable but, with busy social lives and a youthful outlook, financial planning is not necessarily a top priority.

Summary

Bright Futures are young people in their 20s and early 30s who are embarking on professional careers. They are mostly living alone and have moved relatively recently into their compact apartments or terraced homes.

Having started out on graduate salaries their incomes are now above the national average and they are advancing well in their careers. They are earning promotions and incremental increases to their income as they progress.

Almost all are employed full-time in a range of professional jobs. These are mostly based in the private sector, with a smaller proportion in the public sector. The majority have graduated from university with degrees that have helped them into the positions they now enjoy.

Many have moved into their current home as first-time buyers. This hasn't been an easy move to finance on their own, but after carefully saving for a deposit or with financial help from parents they have achieved the home ownership that they desired.

Housing is often typical first-time buyer properties: modern flats and small terraces purpose-built for this market, where getting on the ladder is more important than space or large gardens. Properties are typically valued around the national average or slightly above, and mortgages are mostly repayment with potentially high outstanding balances.

Others within this group are choosing to rent privately, even though they are in a similar financial position to those who have become homeowners. This may be a lifestyle choice, where flexibility is valued more highly than owning one's own home.

This group generally keep their use of credit within sensible limits; most have a credit card which they will use for everyday purchases. Student loans are a significant feature, with many making payments from their salary.

There is some use of unsecured loans for larger purchases as they don't have the resources to pay significant amounts upfront, but these are generally kept to manageable levels. Those just starting out in work can have some disappointments when applying for credit because of their thin credit history.

There is a significant use of overdrafts to help with cash flow but in the majority of cases this is with authorisation from their bank. As they are at a stage of life where finances do not always have top priority, they do sometimes go overdrawn without authorisation, but in the main their finances are as stable as would be expected. Their overdrafts can sometimes add up to significant amounts, however.

They have not yet started building up savings. The costs of setting up home and enjoying life are greater priorities for the moment. They often have a simple savings account which can be used for saving up for a deposit or other short term savings and some have invested spare cash in a cash ISA. They are unlikely to have more sophisticated savings products.

The lucky ones within this group are in a job that offers them some form of pension saving, but generally they are too early in their careers to think seriously about pension provision and don't prioritise resources in this way.

Car ownership is below average - their lifestyles and locations allow them to make use of public transport more than most - but those that have cars choose to insure them fully comprehensively in the main.

Those renting do make sure they have insurance for their home contents, as a fondness for the latest expensive gadgets, more urban environments and transient populations could leave them more vulnerable to theft and they want to ensure they have covered themselves for this. But overall spending on insurance is below average.

It's no surprise that Bright Futures are keen users of the internet for many activities and they are very likely to use online banking, often while on the move. The internet is a useful source of information for them in researching and buying goods and services generally, and so those with an interest naturally look around for information on financial products as well. They maintain a healthy scepticism of information found on the internet, though.

A lack of experience also leads the majority to rely on knowledge from family and friends when looking for financial products.

Financial Strategy Segments 2011

Group B: Single Endeavours

Single Endeavours are young people in their 20s and early 30s who are striving to establish themselves in the workplace. They have yet to settle into long-term homes and are mostly renting affordable accommodation from private landlords. Finances are yet to settle down as well, and overdrafts are often used. Savings are not yet a priority and this group generally enjoy this stage of life with low commitments.

Summary

Single Endeavours contains young people who are aged in their 20s or early 30s, living alone or sharing rented accommodation.

They are trying to establish themselves in the job market and in general incomes are below the national average. Some are taking steps into a career and have graduate starter salaries with the potential to rise as they gain more experience. Others may be working in clerical or sales jobs, again with the potential to make progress as they take on additional responsibilities at work.

Those with jobs are working full-time, but a significant minority are finding opportunities harder to come by and aren't able to rely on a regular income. They may be filling in with low-skilled temporary work while they search for better positions.

Single Endeavours also includes students who may be supplementing their finances with casual jobs alongside their studies.

Their accommodation is usually rented from private landlords and is in most cases an older terraced property or a small flat with an affordable rent. A few have been able to buy their property, but in the main these people aren't yet in a position to take on mortgages.

Two-thirds of Single Endeavours have a credit card and most will use this sensibly. Some can find themselves spending more than they have coming in and can find things a struggle. However, most in this group are getting by OK.

Student loans feature highly in the financial landscape for many. There is some use of unsecured loans for funding purchases that are beyond their income and savings level.

Single Endeavours are quite likely to go overdrawn on their current accounts with some regularity, whether through inexperience, a tendency to focus on more interesting pursuits than their finances or a short-term lack of cash. Mostly this is authorised, but sometimes it is not.

Half of the group will have a savings account with their bank or building society but, unsurprisingly given their stage of life, they have low levels of savings. Anything put by will usually be earmarked for a specific purpose, such as saving for a holiday. They are very unlikely to have anything more sophisticated than a simple savings account.

Most haven't yet started saving into a pension, though a number will have some sort of plan through work.

Insurance spend is relatively low; they often don't have a car to insure, although those that do may pay higher premiums because of their age. Some choose not to take out contents insurance.

Financial Strategy Segments 2011

Single Endeavours are frequent users of the internet but more for leisure activities than for financial purposes. They get most of their financial advice from friends and family, but websites provide a secondary source of information when they have a particular need. Their use of mobile phones is also very high and, given their less settled lifestyles, this is often the best method to contact them.

Financial Strategy Segments 2011

Group C: Young Essentials

Young Essentials are people in their 20s who have yet to find a sense of financial stability. With lower levels of economic activity and low wages, the funding of day-to-day expenses can be an on-going challenge. They often have low levels of interaction with financial institutions, but when they do need to communicate automated methods are preferred. Youthful resilience and a determination to enjoy life will see many through this phase of life.

Summary

Young Essentials contains people aged mostly in their 20s. These young adults are almost all single; many live alone, many others are single parents and a few are living with partners.

Young Essentials tend to be quite transient and many are relatively recent movers, having lived at their current address for less than three years.

Many have yet to find their feet in the working world and incomes are low, often less than half the national average. Those in work are working full-time hours but there are many who are not currently in the workplace - childcare responsibilities and lack of opportunities contribute to the relatively low number bringing in a wage.

Jobs are generally in lower-paid clerical, sales or services roles with a number in lower-skilled manual work. While the majority didn't stay on to further education, a few did continue with studies but have yet to translate this additional education into an improvement in their circumstances.

Young Essentials are renting their homes, many from the local authority and some from private landlords. Their housing has the lowest market value of any group and mostly consists of small terraces with some living in flats and a number in low-value semi-detached houses.

Only half of these young people have a credit card. Transience and a lack of credit history can make it harder to find willing lenders and a significant number have found it difficult to get credit when they've needed it.

There is a high tendency to struggle with bills, a simple reflection of their level of income. A number make use of a credit union to help them balance their budgets. There is some use of unsecured loans and those who studied further have student loans to pay off, though they may well have not reached the income level required for this repayment to start.

Some, particularly those with children, may make use of catalogues to help spread the cost of children's clothes, birthdays and Christmas.

Although most people in this group have a current account, there is a relatively high proportion without one. They have the highest incidence of going overdrawn without authorisation - a combination of youthful forgetfulness, low levels of spare cash and the fact that many have not been offered an authorised overdraft facility. These lapses may be frequent but are usually relatively small amounts.

Savings are very low and most don't have a savings account. They are very unlikely to have any more sophisticated savings products, and savings such as premium bonds are rare.

Financial Strategy Segments 2011

Young Essentials have the lowest occurrence of company pensions, reflecting the lower levels of employment and the nature of the jobs they are able to find. At this stage of life they have far more immediately pressing money concerns than worrying about retirement provision.

Many of this group don't have a car and their general lack of assets means spend on insurance is well below average.

They are most likely to rely on friends and family for advice. While they are not confident in their own knowledge they are also unsure where to go for professional advice.

Young Essentials are comfortable with using automated telephone systems and ATMs for their day-to-day needs and can find these less intimidating than dealing with someone face-to-face.

Everyday internet use is below average because of the costs of equipment and connection, but they like technology and many do have access. Mobile phone expenditure is high, as this is often their main method of communication.

Group D: Growing Rewards

Growing Rewards are high income families in their 30s and early 40s with growing children. They have two professional salaries contributing to the household budget but mortgage commitments and family expenses can be high. They are in an excellent position to improve their reserves in the coming years as outgoings fall and incomes increase, and they have the knowledge and skills to ensure that their financial position will be very comfortable.

Summary

Growing Rewards are typically couples aged in their 30s and early 40s with children. They have lived at their current address for a number of years.

Salaries are high and, as most households have two incomes, their overall finances look very good. Most adults are in employment, though one parent has often reduced to part-time hours to allow time to look after the children.

Growing Rewards are well-educated and hold senior management and professional positions, having made excellent progress in their careers so far. A number run their own business.

They own good quality, often detached, homes and they are likely to have already moved up the property ladder at least once to a bigger and more expensive home. Mortgage values are high, but with two good salaries coming into the household these payments can be managed. The type of mortgage varies within this group, so a range of flexible offers are likely to have broad appeal.

Most have more than one credit card and will use them extensively for convenience. Credit is readily available to them should they require it, and loans are used for some big items.

Generally finances are comfortable, but for some the pressure of monthly mortgage payments alongside the costs of bringing up children can mean they occasionally have to make compromises in their expenditure to ensure all outgoings are covered.

Their current accounts are well run and most have overdraft facilities in place for cash flow purposes.

Most families in this group have made a respectable start to savings, but these aren’t yet substantial due to the high expense of their everyday lives and a focus on mortgage repayment. Those with extra cash have invested in cash ISAs and premium bonds along with opening additional instant access savings account.

Holdings of more sophisticated investment products are still below average, but Growing Rewards have a high potential to expand their portfolios over time as they increase their savings pot and develop greater knowledge of investment possibilities. They are open to opportunities and a number have invested in an additional property as an alternative to traditional savings.

Savings for the children are also considered important, and many have Child Trust Fund accounts and other children’s savings accounts.

Their excellent careers mean that a high proportion of this group have company pension provisions in place, either as a final salary plan or a money purchase scheme. Those without company provision are saving into personal pensions.

Many have two good cars to insure and this, alongside the cost of insuring home and contents, contributes to a high overall spend on insurance. Annual travel cover is also popular for their regular holidays abroad.

Life insurance and critical illness cover are often taken out in this group. Although their incomes are high, they haven't yet built up enough reserves to give them security should anything unexpected happen, and they recognise the need to ensure their children's future is safeguarded.

A good number have private medical insurance, probably through their employer.

As high income professionals Growing Rewards recognise the need for good information when it comes to their finances. Many consult an IFA who will have helped them put appropriate insurance in place. They are also very likely to research financial options themselves either through provider websites or other financial websites. Some also read financial publications to help increase their knowledge of financial options.

Growing Rewards are comfortable with using online banking for financial transactions and appreciate the convenience of managing day-to-day finances this way. They are likely to arrange their insurance on the internet. They also use the internet for many other purposes, including keeping in touch and general shopping, and it is a key source of information.

Financial Strategy Segments 2011

Group E: Family Interest

Family Interest are growing families who have mid-range incomes. Both parents are likely to be working to enable mortgage payments and the expense of raising a family to be covered. Loans are often used to fund large expenditures, and insurance is considered important to ensure their family's future is secure. The internet is a useful resource for finding the best deals.

Summary

Family Interest are couples aged in their late 20s to early 40s with children. These couples are mostly married.

Salaries in this group tend to be a little above the national average. Most households have two full-time earners, though in some cases one partner has chosen to work part-time while looking after the children or has given up work altogether until the children are older. Those with dual incomes have household resources that are generally good.

Their level of education is above average and jobs are of a respectable level. Roles are often office-based; some are professional or managerial, while others are clerical or administrative.

Family Interest own their own semi-detached or terraced homes that are affordable but pleasant. They still have a good proportion of the mortgage to pay off, and this type includes many first-time mortgagees. They are most likely to have a repayment mortgage.

Family Interest will look carefully for the best mortgage deals and at the end of each deal will take the opportunity to change lender if a better rate can be found, or will renegotiate with their existing lender. Some may also take the chance to increase their borrowed amount as an alternative to other loans.

Credit cards are widely used. Sometimes the balances on these can build up and they will look to transfer to get a better rate of interest.

Unsecured personal loans are a popular way of funding expenditure which cannot be found from short-term savings. This may be for a large purchase such as a car or other major cost such as improvements to their homes, perhaps a new bathroom or kitchen. Some loans may be secured against their home. They do sometimes use consolidation loans to simplify their commitments and make repayments affordable.

Most are managing their finances satisfactorily, but a significant minority do struggle from time to time given the high costs of bringing up a family and servicing their mortgage.

Family Interest tend to go overdrawn regularly on their current accounts, mostly with permission.

Most have sensibly made some step towards saving, although they generally only have a basic savings account and the amounts they've saved so far don't add up to more than a limited rainy day fund. A number have cash ISAs and premium bonds.

Just over half have some pension savings provision through their workplace and some of the rest have started personal pensions, but there is a significant proportion who have yet to make a start on any form of pension saving.

Payment protection insurance take up is high, as is life insurance to cover their credit commitments should anything happen. Critical illness cover is also considered a worthwhile expense in many households.

Pet insurance is also regularly taken out as vet bills could quickly become an unjustifiable expense - though necessary in the children's opinion.

In general, they will shop around for the best deals on their insurance and find ways to keep premiums affordable if possible, such as accepting a higher excess figure. Internet access is high and it is used regularly for shopping and research. They will actively search for the best insurance deals either using price comparison sites or direct with providers' websites and are likely to change providers when they can find a better value offer.

Financial Strategy Segments 2011

Group F: Accumulated Wealth

Accumulated Wealth are affluent families who are enjoying the benefits of high income and the security of accrued assets. They own very expensive homes and have a sophisticated range of investments. They expect a high level of service and will readily move their money around to find the best returns.

Summary

Accumulated Wealth are families where parents are in their middle years and older teenage or adult children are living at home. They have often been living at their high-status address for many years.

Accumulated Wealth are the wealthiest households with extremely successful careers and correspondingly high salaries. There is often more than one income in the household - one partner may have a full-time salary while the other works part-time - but both parents are likely to be highly qualified. There are a very high number of professionals, senior managers who have high-status corporate careers and many people who have been successful in small businesses.

They own very expensive properties - the premier listings of their neighbourhood. The majority of houses are large, detached homes with high-quality finishes. Some have finished paying off the mortgage; others have sums still to pay off but their excellent salaries enable them to afford these high payments.

Accumulated Wealth are likely to have several credit cards which will be used to enable payments to be made easily. Their finances are in a very comfortable condition and while they may choose to use credit on occasion to fund a particularly large purchase, this may well be for cash flow purposes - they are likely to have the money but it will be invested elsewhere. Loans are not widely used.

Current accounts are well run and they may build up some balance in these while they consider where to invest spare resources. Large amounts may also be moved in and out as they transfer investments. They will usually have an overdraft facility just in case they mistime one of their transfers and drop into the red for a few days.

Accumulated Wealth have a large number of savings and investments vehicles. Stocks and shares are widely held, often in the company they work for as well as in other investment accounts, and they are the biggest users of equity ISAs. They are likely to have their money spread across a range of investments types and will either consider the asset allocation of their portfolio themselves or may use a wealth management firm to do this for them.

Property is a popular method of investment and many will have second or third properties that they rent out or use as a holiday home.

Those in company roles will have excellent pension provision in place. The self-employed business people in this group will have ensured that pension considerations are well-covered within their investment portfolio. SIPPs are gaining in popularity within this group. A number plan to use income drawdown as a method of funding their retirement income.

Insurance premiums are naturally high as they have considerable assets to insure. There is a high level of car ownership and a significant number have 3 cars - one for each parent and one for an adult child. Travel insurance, often annual, covers their frequent holidays and business trips and they are often covered by private medical insurance. Life cover varies depending on the age of the family and the level of assets they have already built up.

Accumulated Wealth use a range of sources to gain information about finances. Financial advice from professionals is widely used, but they also want to have knowledge themselves and will read financial publications and research using provider websites and other financial websites. When they find a new investment they like, they may well become advocates for it among their family and friends and certainly value any knowledge passed on to them.

It goes without saying that they will be accessing the internet using the latest technology and will be very comfortable using it as resource for information, as well as for making their lives easier. Use of online banking is high, as is use of the internet to purchase insurance, shop and enjoy the latest entertainment options.

They will expect a high level of service from the providers that they interact with, and will not tolerate poor service. While it is unlikely they will bother switching companies to save a small amount in costs, they will be very aware of returns and will readily move their money to find greater reward.

Financial Strategy Segments 2011

Group G: Consolidating Assets

Consolidating Assets are families in their 40s and early 50s who have made a good foundation to their investments. They are at a stage of life where they are able to add to these assets regularly and are gradually consolidating their position. Their equity to mortgage ratio is growing, and although they are often still supporting teenage and adult children they usually have enough spare to ensure a comfortable lifestyle and still put money away for the future.

Summary

Consolidating Assets are aged in their 40s and early 50s. These are mostly families headed by a couple, but in a number of cases these are single adult households. Many have older children or adult children living with them and they have been in their current home for some years.

Consolidating Assets are earning above-average salaries and household incomes are comfortable. Often, one parent is working full-time and the other part-time. They have a good level of education and they are enjoying respectable careers, often in professional or management positions.

They own pleasant detached or semi-detached homes that are well-suited to family life. Most still have some mortgage outstanding, but this amount is reducing as the years go by and is relatively low compared to the equity they hold in the property.

Consolidating Assets are in a comfortable financial position as they have been earning good salaries for some years. They have, therefore, begun to build up some financial reserves. It is unlikely that a person in this type would find themselves in serious financial difficulties. They do have the continued expense of supporting their adult children as they study and find their financial feet, but in the main they are able to afford this.

Loans are used sometimes as a sensible way of purchasing a large item. Many have two or more credit cards but these are used in moderation. Their current accounts are carefully managed and have overdraft facilities in place though they are not frequently used.

Consolidating Assets have made a good start on investments and are able to add to these regularly, consolidating their position over time. They have a range of savings accounts; cash ISAs and premium bonds are popular and a good proportion also have shares. They are in a good position to continue increasing this portfolio over the coming years.

Many have some form of company pension and a high proportion of the remainder have a personal pension plan which they have been saving into for some time. These people want to ensure that they are well-prepared for their future retirement and realise that their best option is careful, regular pension saving.

Insurance payments are a little above average; they have a higher than average number of cars and will make sure their homes and contents are well-covered. Some have taken out life insurance. Consolidating Assets will consult a variety of sources for financial information: financial websites are popular and there is some use of IFAs. They will also read financial publications. They are regular internet users and frequently use this as a source of information and way to purchase goods.

Financial Strategy Segments 2011

Group H: Balancing Budgets

Balancing Budgets are families in their middle years with average incomes who, in a majority of cases, are managing to balance their expenses against their resources. They own affordable terraced and semi-detached homes with a proportion of their mortgage still to pay. Use of credit is mostly sensible, with the exception of a few whose spending has exceeded their income. Savings are limited and opportunities to reduce bills are welcomed.

Summary

Balancing Budgets are families in their middle years with household heads between their late 30s and early 50s. There are a range of family setups within the group, with some households headed by a single adult, and others by a couple. Many households have children under eighteen and others have adult children still living in the family home. In general, these are stable households who have been living at the same address for a number of years.

Incomes across the group are broadly in line with the national average. The majority of adults are employed full-time with only a small proportion opting for part-time work. Jobs are in a range of fields and range from managerial to administrative to manual work. Education tends to be A-level rather than degree-level. However, these people have normally enjoyed a stable working life with a reliable, if unexceptional, income.

Homes are owned with a mortgage, are of affordable value - below the national average - and are mostly terraces and semi-detached homes. The outstanding amounts of their mortgages are quite low and are therefore not too much of a burden in the main. Mortgages are usually repayment, though a proportion of the group has opted for interest-only.

Most Balancing Budgets are managing to balance their resources well and have achieved a good level of financial stability. Resources are moderate and it has taken careful budgeting to ensure that all bills are covered.

However, a section of Balancing Budgets have struggled to match their spending with their resources and consequently have found themselves in financial difficulties. They are, therefore, having to work hard to get back in control of their finances.

Personal loans are used when needed, as they haven't sufficient savings capacity to cover larger purchases. Current account overdrafts are used sometimes to tide them over to the next month's salary.

Savings are modest as there isn't a lot left over at the end of the month, but most do have a savings account. The most popular places for their limited savings are a simple account with their bank or building society, an instant access account or a cash ISA.

A good number are fortunate enough to have some pension savings plan through their job and others have set up a personal pension plan, although the amounts saved into these will be modest.

Insurance premiums are kept low where possible by searching for good-value deals. Some will also have opted to cover themselves against a change in circumstances with mortgage or other payment protection, and others have life insurance and critical illness cover.

Financial Strategy Segments 2011

Balancing Budgets do not have sophisticated financial knowledge and some don't consult anyone on financial matters. But friends, family and financial websites offer others a way of hearing about new products and finding best-value deals. Most have internet access and will use it mainly for shopping and for leisure.

Financial Strategy Segments 2011

Group I: Stretched Finances

Stretched Finances are households in their middle years who are striving to manage their day-to-day finances on very limited incomes. A high proportion are not in full-time employment, whether through lack of opportunities or commitments to childcare as single parents. Housing is often provided by local authorities or housing associations and benefits are vital in helping many stay afloat. Formal finances are kept simple; many find alternative methods of accessing extra cash when it's needed, such as home collected credit or credit unions.

Summary

Stretched Finances are households where most adults are aged between 36 and 55. There are a range of family circumstances: many are the only adult in the household, others are in families with two partners and even adult children. A high number of households have children under 18.

They are reasonably stable in their current home, with many having lived at the same address for a number of years.

A large number of adults in Stretched Finances are not working, either because of childcare commitments or through difficulty in finding stable long-term employment. Jobs are mostly in lower-skilled areas and most left education by A-level stage - many even earlier.

Stretched Finances, therefore, have some of the lowest individual and household incomes. A high number of households rely on benefits for everyday needs.

Most households in this group are renting from the council or a housing association. The properties they rent are of low value and are mostly small terraces or semi-detached homes, though a few are living in flats.

Credit is often needed to make ends meet due to limited incomes. Only half have a credit card, so alternative methods are often found for spreading expenditure. A good number use home collected credit as an easy way to access extra cash. Others use catalogues, which enable them to pay for purchases over a period of time. Credit unions provide another alternative, and unsecured loans are also used to provide additional cash.

These households are experienced in finding innovative ways to make money go further and may sell existing items to help fund new purchases. However, because day to day expenditure takes up their entire budget, unforeseen circumstances can lead to difficulties with repayments. Many find it hard to keep up with their bills and commitments and a number of these will seek professional advice to help them get back in control of their finances.

Although most have a current account, this group has the highest incidence of people without a current account. Many that have one don't have access to an authorised overdraft facility.

With all of the demands on their limited income, Stretched Finances have the lowest capacity to save and many have very little, if anything, put by. Most don't even have a simple savings account with a bank or building society.

Unfortunately, pension saving is also a casualty of the already high demands on this group's resources. Those in regular work may have some pension savings provision with their employer but this is in a minority of cases.

Insurance spend is low as this group do not have many assets to cover. A number will have payment protection insurance to cover their loan commitments.

It can be hard for this group to know where to find advice, and many consult no one about finances - they make decisions on their own. Others rely on family and friends for advice.

Although internet access is below average, the majority do have access to the internet and this can provide alternative ways of finding good-value second-hand items or selling on unwanted items. Internet use is often social or leisure-focused.

Financial Strategy Segments 2011

Group J: Established Reserves

Established Reserves are people in their late 50s and early 60s who are enjoying their pre-retirement years. Salaries are good for those in full-time work and their financial commitments are reducing. They have the opportunity to continue building on their already respectable savings and investments to ensure that their retirement is comfortable. Adult children may still require some support, however - both financially and in the provision of accommodation.

Summary

Established Reserves are in their late 50s and early 60s and are enjoying the last stages of their career or, in a few cases, early retirement. Many are couples, though some are now single. Their children have mostly grown up and have either left to study or establish their own career, or are still living in the family home and enjoying the support of their parents. These are very stable households who have often been living in the same home for many years.

Overall, incomes are slightly above the national average but those still in full-time work will be enjoying good incomes; many have reached a managerial position in their career and are therefore earning respectable salaries. While half are likely to be in full-time employment, some have cut back to part-time hours as a precursor to retirement, and a fortunate few have been able to afford to take early retirement.

Established Reserves own comfortable detached or semi-detached family homes of above-average value. A number have moved to a bungalow in anticipation of their retirement needs. Most have finished paying off the mortgage and those with some still to repay only owe a small proportion of the current property value.

Their finances are very stable. They have credit cards and may well have a retail store card too; they don’t have much need for credit or loans. They run their accounts carefully and are unlikely to need to use the overdraft facility on their current account.

Established Reserves have a good number of savings accounts and most have built up a respectable reserve of savings over the years. For many, the financial commitments of buying and equipping a family home and the costs of raising a family are now past and they have a higher proportion of their income available for saving.

While their savings are not huge, many recognise that this is a valuable period of time during which they are enjoying good salaries at the final stages of their career. As such, it is their last chance to make a significant impact on their retirement positions. They are, therefore, keen to get the best returns possible on their money and ensure that their capital is secure.

A smaller proportion have found that their commitments haven’t yet tailed off in the way they might have expected, and the combination of extended support for adult children and other continued commitments has dented their ability to increase their savings. These people hope that there are enough years of earning left to make up some of these reserves before retirement.

In general, Established Reserves are likely to have a savings account at their bank or building society as well as cash ISAs, premium bonds and other instant-access savings accounts. Where their savings exceed compensation limits, they are likely to have given consideration to spreading their money across a number of institutions. Some will also have equity ISAs and hold shares.

A high proportion of Established Reserves will be recipients of company pensions in their retirement; most of these are final salary schemes rather than money purchase schemes. Some have already been able to take early retirement and are receiving a comfortable income from their schemes.

The need for some types of insurance has reduced as their commitments have lessened and their dependants become more independent. Therefore, although they make sure that their homes, belongings and cars are well insured, their overall spend on insurance is only average.

Levels of internet access are good and these people have often embraced the internet as a source of information for both finances and hobbies. However, they are more likely to go to an insurance company to arrange their insurance, rather than doing this online. They dislike using telephones with automated response systems.

While they are not naturally inclined to regular switching of providers, they are not averse to changing insurance company if they find their premiums rising too quickly.

Financial Strategy Segments 2011

Group K: Seasoned Economy

Seasoned Economy are singles and couples in their late 50s and early 60s who have spent many years developing ways of making their money go further. Those in work earn average incomes but a good number no longer work full-time and are living on reduced income. The majority are able to stay on top of their finances and use a variety of means to spread payments when needed. Many have saved modestly but regularly and have enough in a savings account to provide a small nest egg for future needs.

Summary

Seasoned Economy are aged between 55 and 65 and are a mix of singles and couples. Their children have now grown up but a number are still living at the family home.

Incomes are well below average and many are no longer in full-time work. A good number have retired, which has reduced their income considerably; a few are working part-time. Those in work are in a range of positions, but education levels are generally lower and these salaries are only at an average level.

Two-thirds of Seasoned Economy have the security of owning their home and will have lived in it for many years. Their homes are modest in value and are mostly terraced houses with a number living in small semis. There may be a small amount left to pay on the mortgage. The other third of this group are renting their homes, either from the local authority or from private landlords. These homes will be terraces or small flats.

Keeping up with the bills can be a struggle sometimes, but in the main this group are used to making their money stretch and don't get too far into financial difficulty.

A few may take out personal loans but this isn't done to a great extent. Most have a credit card and will use it at a sensible level for convenient payment and to spread some costs. They will also find other ways of spreading the payment of larger purchases such as buying with interest-free credit.

Overdrafts on their current accounts are not used much. In general, they prefer to stay in control of their finances and budget carefully to ensure they have enough put by each month for their outgoings.

More than half have a savings account with their bank or building society, and some have worked hard over the years to build up a small but respectable pot of savings. While this won't go far in the long term, it does provide some buffer for unexpected bills and for funding some expenditure when needed. Some have put away extra into cash ISAs and premium bonds.

Around half can look forward to or are receiving some company pension, and some of the remainder have made some person pension contributions. Those without may well be looking to work for additional years before they have to rely on pension income alone.

Their insurance spend is relatively low, which reflects the lower level of assets they have to insure. The household may well be running one economical car which is insured fully comprehensively.

Financial Strategy Segments 2011

Seasoned Economy's use of outside financial advice is relatively low and many rely on their own judgement in financial matters. They may feel that they don't have enough money to justify looking for advice, even though they need to plan for the retirement years which aren't far away. They may be most comfortable talking face-to-face with their local bank or building society manager. Future pension income will certainly be a concern.

Levels of internet use are below average. Around half are regular users, though fewer use it for online purchasing.

Financial Strategy Segments 2011

Group L: Platinum Pensions

Platinum Pensions are retired couples whose incomes reflect successful careers and careful saving, which has put them in an excellent financial position for their later years. Good investment advice is important to this group to ensure their savings are getting good rates of return and their capital is secure. Inheritance tax planning is also an issue.

Summary

Platinum Pensions are couples and singles aged over 65 who are enjoying retirement. A few are in their early 60s and have taken early retirement. Their children are now grown up and are established in their own lives.

Their income is considerably above the national average, even though they are no longer working. They or their spouse pursued a successful career in a professional or managerial job and they are now enjoying the benefits that they have accrued in their occupations. Two-thirds are receiving company pension payments and the other third made careful provision using personal pensions. Many have purchased an annuity which is providing regular income; others are using income drawdown to finance day-to-day expenses while maintaining their capital as well as possible.

Platinum Pensions have lived in their very comfortable homes for many years and mortgage payments are, for most, a fading memory. They own high quality, mostly detached homes which they envisage they will be able to leave to their children one day.

Use of credit cards is high and most have several which they use to help them manage their finances. They are also keen on retail store cards for their favourite stores and will enjoy any benefits they receive from using these. They will, however, ensure that all these bills are paid off in full each month. They have virtually no need for loans.

Their finances are very secure - with few commitments beyond day-to-day bills, they have considerable choice over the way they use their disposable income. They will take great care over the running of their finances, though, and are highly unlikely to ever go overdrawn on their current accounts.

Platinum Pensions' investment portfolios are extensive and they have some of the highest levels of savings of anyone. Many types of investment are held. These may be in instant-access and notice savings accounts, cash ISAs and premium bonds, but they will also be in equity and other types of investments such as equity ISAs, stocks, shares and unit trusts. Many also have savings or investment bonds.

Platinum Pensions are likely to take a keen interest in keeping track of where all their money is at any one time and whether it is still getting a good rate of return.

They have a high level of spend on insurance as they have expensive assets to insure. Platinum Pensions are likely to own one or two good-quality cars which will be fully insured. There is a high use of annual travel insurance, particularly among the younger retirees who are enjoying their new-found freedom with frequent holidays. Private medical insurance is also popular among the wealthier end of this group.

Platinum Pensions recognise the need for good advice as they have to ensure good management of their investment portfolio. They are also in need of advice on inheritance tax planning. Many have an IFA, and financial publications are often read to keep up-to-date with financial opinion and options.

Some of this group may have had to learn more about managing their investments later in life after the loss of a partner, and may need a greater degree of advice.

Platinum Pensions have a good level of internet access and while their use of it may not be as frequent as other groups, they recognise its value as an excellent source of financial and other information. Old habits die hard though, and the phone is often preferred as a method of setting up things such as insurance.

Financial Strategy Segments 2011

Group M: Sunset Security

Sunset Security are older people in retirement who have the security of home ownership and modest pension incomes. Most have managed to put away some savings over their lifetime and are now able to enjoy an acceptable retirement lifestyle. They are cautious with their money, dislike credit and prefer cash-based savings products.

Summary

Sunset Security are older people aged over 65; many are now living alone while others are still living as a married couple. They are likely to have lived in their homes over a long period of time.

Incomes are modest but most have some form of additional pension to supplement their state entitlement, often from a company pension and sometimes from personal pension savings. These amounts are not great but they make a significant difference to their day-to-day finances.

In their working lives they had reasonable incomes and these enabled them to buy their own homes and to make a respectable amount of savings to contribute to their retirement position. While they were unlikely to have high levels of qualifications, they worked hard over their lifetime and achieved a decent status.

The ownership of their home now offers them much appreciated security. These houses are often semis or bungalows of a value around the national average.

Sunset Security have always been careful with their finances and are of a generation that is not comfortable with debt. Therefore, they make very little use of credit and loans, preferring to spend within their day-to-day means. They will have a credit card but this will be paid off in full each month. Their current account is carefully managed and is highly unlikely to go overdrawn.

The savings they have are the result of a long-term effort to put money away and are therefore invested with caution. The majority have savings accounts with no notice period. Cash ISAs and premium bonds are also popular. A much smaller proportion has some shares or an equity ISA. In general, they would rather opt for a lower interest rate where their capital was guaranteed than try to achieve potentially higher rates of return at a risk to their core savings.

Spend on insurance in this group is slightly below average. They make sure their assets such as their home, contents and car are well covered but they don't need high levels of cover.

Sunset Security don't feel they need much financial advice and many rely on their own judgement in financial decisions. A number will consult an IFA to make sure they haven't missed any important issues. They tend to prefer traditional methods of communication and are likely to be more comfortable dealing with finances face-to-face or possibly by phone. However, while internet access is lower than average, many do have the opportunity to go online and are not being left behind.

Financial Strategy Segments 2011

Group N: Traditional Thrift

Traditional Thrift are ageing people with low pension incomes and a reliance on state provision. They have long experience of making ends meet and many don't require much money to continue their accustomed lifestyles. However, it is important that sections of this group claim the benefits they are entitled to so they can be sure of covering essential bills.

Summary

Traditional Thrift are ageing people of retirement age or, in some cases, nearing 65 but no longer able to work. Many are now living alone.

Incomes are very low and many are reliant on the state pension alongside other benefits that they are entitled to claim. A few will have a little additional income from a company pension or a small annuity from a personal pension.

When they were working, their jobs were in lower-wage manual or administrative roles. Many in this type did not receive a long education and a high number had left school by the time they were 15 without qualifications.

Most have lived in their homes for a long time, while a small number will have moved in more recent years to accommodation where they can get some support.

Homes are mostly small terraces or semi-detached houses, with some living in flats or small bungalows. These homes are mostly rented and all are very low in value, ensuring that rents are affordable.

Some will have a credit card but a significant proportion will not. Mail order catalogues are often used as a way of paying for items over time as well as providing easy access to preferred products.

Traditional Thrift's use of credit or loans is very low, but many can struggle to keep up with day-to-day bills simply because of the low level of their income. Winter fuel payments will be important to many in this group, and it is important that they are aware of any additional support they can claim.

Most have a current account in which they will not go overdrawn.

Some Traditional Thrift will have a small amount of savings that they have managed to build up while they were still working. This rainy day fund will be kept in a simple savings account with their bank and building society.

Insurance spend is very low in this group. Those that still run a car will insure it properly, but this is likely to be a small, older car with a lower insurable value. They are also likely to have a small amount of cover for their home contents. They may be more likely to take out some form of funeral insurance to ensure their closest relatives are not left with these expenses.

Traditional Thrift have a low likelihood of switching providers and tend not to ask anyone for financial advice and will rely on their own judgement in most decisions.

Traditional Thrift have the highest number of people without access to the internet and so are most at risk of being digitally marginalised. It is therefore important that alternative access to information is provided where it is relevant to this group. They are likely to be most comfortable with face-to-face interactions.

Financial Strategy Segments 2011

Household Level Type Descriptions

Note about the personal accounts

The personal accounts are based on a combination of consumer interviews, focus groups and the underlying data patterns that characterise each of the Types. While they are written in the first person, the information has been altered to prevent the identification of the individuals interviewed and to reflect what the underlying data suggest are their likely behaviours.

Financial Strategy Segments 2011

Group A: Bright Futures

Type A01: Equity Ambitions

Equity Ambitions are single professionals in their late 20s and early 30s who have respectable incomes, want their own space and have stretched themselves to get on the property ladder. Mortgages are high relative to income and consequently take a good proportion of monthly wages.

Summary

Equity Ambitions are well-qualified young people, in their late 20s and early 30s, often working in the public sector or doing professional and technical jobs and on the first rungs of management. They are likely to earn more than average, but with a repayment mortgage up to 4 times their income and with nobody to share their bills, they often choose to take out mortgage protection insurance to protect their modern home. Don't be surprised if these individuals will shop around at the end of their introductory offer to find a better deal.

Paying the mortgage is a big commitment and has restricted their further borrowing capacity, although some may have personal loans that have been used to consolidate debts. Sometimes the size of their financial commitments can feel a struggle and Equity Ambitions regularly use the overdraft on their current account, but the amounts involved are not large.

Heavily reliant on family and friends for financial advice, Equity Ambitions appreciate their savings will remain low for now. With student loans to finish paying off as well, pension plans are on the far horizon, although some will have started money purchase schemes with their employer. For now, the overwhelming focus is on the housing market and building equity for future house moves.

Expect high use of online banking and the internet for researching financial products and buying insurance through price comparison websites.

Personal Account

I'm Ross, and I'm 31. I live in the centre of town, not far from where I grew up. I couldn't bear to share scruffy rented houses any longer than I had to. I like my own space - to be able to play my PlayStation at whatever hour I like without someone else complaining about the noise!

I did a photography degree in Manchester and really liked living there, but I couldn't find any work. So I made a couple of good connections nearer home, headed back across the Pennines and got a job with my old local evening newspaper. Now I have a good position and earn just over £30k.

If you want to live in a nice place you have to buy. Renting is money down the drain. It's not so easy on your own, but I'm just about managing. Obviously it makes me a bit vulnerable - the media industry is going through a lot of changes, so my job isn't as secure as I'd like - but if anything happened I could rent this place out and move to London to freelance for the nationals.

I was only on £25k when I bought this house three years ago. It was £160k. That was a real stretch. My dad helped with the deposit, and my mum helped me buy some of the furniture. It's still hard now. I'm mortgaged up to the eyeballs - I've got £110k to repay. And I've still got a little bit of my student loan around my neck, too. I've actually put an ad in the paper to take in a lodger for a while. I won't live here forever, but this is a good start.

I go overdrawn on my current account sometimes but never by much. I have a couple of thousand pounds in a savings account. It should be more - I'm supposed to be saving for my next car - but it's not easy. I've got a company pension, although I haven't really taken much interest in it so far. In the short term I'm just focused on the mortgage. My family helps keep my feet on the ground. They've given me help and good advice. My mum and dad went through all this when they were setting up home together after they first married and pretty much again when they divorced 15 years later.

Group A: Bright Futures

Type A02: Portable Assets

Even though many Portable Assets are in their 30s, these professional singles have chosen not to make the move into property ownership, instead valuing the freedom and flexibility of renting. Their good incomes allow them to indulge in the latest technology, which they love.

Summary

Portable Assets are professional singles in their late 20s and 30s who are living in rented accommodation, either alone or sharing. They earn a good income and enjoy spending it. They will be first in the queue for the latest technology, and they like exotic travel and European city break weekends. Without long term financial commitments, they have high disposable income.

Portable Assets are highly qualified, most with a degree-level education, and have management, professional and technical jobs. They are very likely to live in city and urban areas, most often in purpose-built or fashionable converted flats, so a car is not always needed.

As a more transient population, they sometimes have problems applying for credit. They are likely to be paying off student loans and credit cards. Although revolving balances are unlikely to be high, they are likely to rate-surf to find the best deal.

Portable Assets can let their lifestyle get out of hand, sometimes resulting in bigger debts than might be expected. Despite these occasional difficulties, however, they tend to shun professional advice and rely on the guidance of family and friends.

Their fondness for technology means they are devotees of online banking and, when they have the time, will use the internet to compare prices.

Of course, living for now has a cost: savings tend to be in cash and well below average, and pension plans are usually unclear. Fortunately, some have started money purchase schemes with their employers.

Personal Account

I'm Hassan, and I'm 32 and I'm a corporate lawyer for a bank in the city. I earn towards £60k a year which is not as much as it sounds when you are paying London prices. I wouldn't say my life revolves around work, but it's certainly a major factor. It dictates where I live and, to an extent, how I live. I've moved around with my job quite a lot, which is one of the reasons why I've always rented.

Until recently I was working in Mumbai, but now I'm back in London. I'm renting a flat in the Docklands in an old warehouse, which has nice exposed brick walls. I share it with a friend from work. I guess I could buy one, but that would feel quite restrictive and would cut back on travel, which is one of my big hobbies.

At some point I'll get married, and then I might think of taking on commitments. I did have a girlfriend for quite a while, but it finished when I went to Mumbai. It was a make-or-break point, and it broke.

Financial Strategy Segments 2011

If I did want to buy a place I would have to move out of the city and commute, or find a new job, which might be an option as I've been in my job for three years now. I'm more interested in the present than what I might be doing in 30 years' time. A lot of people tell me I should be thinking about it, just like they tell me I should have got on the property ladder years ago - goes to show what they know. I am paying into a pension with the firm so that is not a bad start for me.

I don't have many savings - I spend too much. I love having the latest tech, which is useful to keep in touch with friends and post pictures of my travels to make them jealous. I also use my phone to check my bank account. I have a mountain of post most weeks that goes unopened - some of the letters have been warnings from the bank regarding my overdraft. Not sure why they don't flash something up when I log on.

Financial Strategy Segments 2011

Group A: Bright Futures

Type A03: Early Settlers

Early Settlers are young people in their early 20s who have succeeded in getting on the property ladder despite the high costs. Unlikely to be able to afford to buy on their own, they may well have had assistance from parents or pooled resources with a partner or friend.

Summary

Early Settlers have good wage prospects but are in the early days of promising professional careers and earning average salaries at the moment. To get on the housing ladder they will either have had to rely on mum and dad for a deposit or pooled resources with friends or a partner.

As these are their first homes, they tend to be properties that are slightly cheaper than average: nice terraced houses, modest semis and, to a lesser extent, purpose-built flats.

Early Settlers are likely to have high outstanding mortgages that sometimes make extremely challenging demands of them. An outstanding mortgage four times their income is not unusual. They may well have built up student loan debts while at university; some have credit card balances that are often transferred at the end of introductory offers.

Some will struggle with credit commitments and bills from time to time. Cost-saving measures are likely to include eschewing expensive comprehensive car insurance in favour of third-party fire and theft.

Not surprisingly, savings are unusually low and Early Settlers are the least likely people to have pensions in place and the most likely to seek financial advice from family and friends.

Despite tight budgets, essential expenditure still includes having the latest technology before anyone else. Their mobile phone usage is high, including for everyday banking. However, they sometimes still like the reassurance of face-to-face advice via their bank branch.

Personal Account

I'm Jodie, and I'm 22. I think rent is a waste of money, so I was keen to buy a house as soon I could. But it's not easy to achieve that on your own, especially when you've got a student loan hanging over you. Thankfully, my boyfriend feels the same, so we've done it together. It's a big commitment, not just financially but to each other, but we're really glad we've gone for it, even if it's going to be tough for a while. Dad helped us by lending us the deposit - we'd never have managed to save enough ourselves.

I'm a graphic designer and earn just over £20k. I met Sam - that's my boyfriend - at university, where we were on the same course. He's only got a bit of part-time work at the moment - he earns just under £10k - but we're confident it'll lead to a full-time job soon.

We love the house - it's a snug little terrace in a decent enough area - and the key thing about it being ours is that we can decorate it how we like. That's where being designers helps. We use our creativity to make it nice on a budget.

The debts are a pain. On top of the mortgage - £110k outstanding right now - we have a couple of student loans, plus a loan on the car. Sometimes it feels like a hard slog, but if our careers go as we'd like it will get easier.

All in all, when you bear in mind what we're up against, I think we manage our money quite well. We just have to be careful. We've got only one credit card each, which keeps us in line.

We've got home and contents insurance but only third-party car insurance. Neither of us has been driving for very long, we haven't got any no claims bonus, we don't have the greatest postcode on Earth… we just can't afford fully comp.

Our savings amount to just over £3k. I know it sounds like nothing, especially for two people, but we're actually quite proud we've even got that. I've also just started a company pension, because I feel like we've got to make some sort of effort in that direction - even if we're clueless about that sort of thing!

We've looked at a few financial advice websites, but if I want advice I go to my dad. He's always asking how we're doing financially. I know it's because he cares, but there's a little part of me that thinks it's also because he's worried that if we get in a mess he'll have to bail us out!

Financial Strategy Segments 2011

Group B: Single Endeavours

Type B04: First Foundations

First Foundations are young couples and singles in their late 20s or early 30s who are living in low-value, affordable properties, often terraces. They are reliant on loans for many purchases and sometimes for credit consolidation. Half have young children.

Summary

First Foundations have average incomes, but at this stage of life big financial demands are being made on them as they try to build the foundations of their lives.

First Foundations mostly have mortgages on the first property they will call their own home. They have stretched themselves to be able to afford it and have chosen the best-value property they can find. These will often be terraces that are small but manageable while their children are still young and that they can renovate and refurbish on a budget over time.

Many are couples who have not yet married - they may have chosen to postpone the event because of the cost, preferring instead to use the money to set up home. One partner is often a full-time carer in those households with young children.

Any larger purchases such as a family runaround or projects on the house often need to be financed via a loan and it can sometimes be a struggle to keep up with repayments. Larger loans are sometimes taken to consolidate debt. First Foundations will also juggle their finances, including transferring credit card balances from one introductory offer to another, and dip in and out of their current account overdraft when things get tight.

Savings are often limited to a Child Trust Fund for the kids and, without their own savings to fall back on as a safety net, payment protection insurance is regularly taken out to protect against unforeseen circumstances.

These people make full use of the internet and price comparison websites to help find financial products and switch providers to save money, particularly for home and motor insurance products around renewal dates.

Personal Account

I'm Imran, and I'm 31. I've been with my partner, Saima, for 10 years, and we've got two daughters: a four-year-old and a two-year-old. I'm the wage earner; Saima looks after the children. In an ideal world we would have tied the knot by now, but it's the cost. She wants a proper do, and we decided that isn't the best use of our money at the moment. We'll sort it out when things have settled down and we've got some cash to play with.

I work for the county council in the highways department - a sort of glorified supervisor, I suppose. I don't stand around with a cup of tea all day, but I do a bit less of the manual stuff than most of the lads. It's not a bad job - I earn £25k - but there are all sorts of reviews going on, and I only survived the previous two by the skin of my teeth. So I'm keeping my fingers crossed.

Saima's parents are retired and only live a few streets away, so we'd have no problems with finding someone to look after the kids if she had to go back to work. She began a college course when our youngest turned two, but she wasn't comfortable and felt her place was at home. She used to do nursing as well and has been talking about getting back into that, but she'd rather wait until the kids are a bit older.

We bought this house five years ago, when Saima was still nursing. It's just a modern terrace, worth £100k, but it's nice and cosy and feels like home. We rented somewhere similar before. It could do with a bigger garden, but there's a park nearby.

We've had our money troubles in the past, so we're actually quite proud of how things have improved. We got carried away with fitting out the nursery - it got nasty for a while, but we haven't made the same mistake again - and we won't. We're still paying off credit cards and loans from back then - we've got about £6k to go - and we go overdrawn every month without fail. But we're gradually sorting ourselves out.

The lesson we've learnt is that things can get away from you pretty quickly if you're not careful. That's why we're down to one credit card and a mail order catalogue. We'd love to have a big telly or a nice laptop or a leather sofa, but you've got to focus on the essentials.

We've never been in a position to save, although we have Child Trust Funds and are thinking about putting a little extra money away regularly for the kids. We haven't really thought about pensions. Basically, if we get to the end of the month and have anything left - well, it's a rare treat.

That's how it is for now, but it won't be like this forever. It won't be long before the kids are both at school, and then we can both work.

Financial Strategy Segments 2011

Group B: Single Endeavours

Type B05: Urban Opportunities

Urban Opportunities are single people who are in their 30s and 40s and live in urban centres. They either rent properties from the council or a housing association or are forced to pay the high prices that can be necessary to rent privately in inner-city locations. These rents can be afforded only through city-weighted salaries or with the help of benefits.

Summary

Urban Opportunities live alone or share rented inner city properties and are typically in their 30s or 40s. There are a high number of single mothers who are bringing up their children in challenging financial circumstances.

Generally lacking qualifications, they are vulnerable to job instability, with a significant number unemployed or in-and-out of work. Those in work can enjoy a fair income, but those out of work have little coming in on a monthly basis.

Urban Opportunities have few relationships with financial organisations, often finding them daunting to deal with; therefore, they have very simple finances with a significant proportion not having a current account. They can sometimes struggle to pay their bills, particularly when work is hard to come by, but with limited access to mainstream credit, options are limited to alternative providers.

Car ownership is extremely low, as in these locations it is an unnecessary luxury. Urban Opportunities are very low users of insurance and will generally have little interest in financial products and services.

Personal Account

I'm Nadia, and I'm 34. I'm from Latvia originally. I came here with my husband about five years ago. He left me two years later. He took the telly, the computer and my mobile. The only things he left behind were his debts.

I work in a London hotel near King's Cross. I work as a receptionist, but I also do extra shifts when I can with the chambermaids. I do over 50 hours most weeks and take home about £900 a month. My rent takes up more than half of that, and I'm still paying off £120 a month that my husband ran up through a doorstep loan company - it was in my name because he couldn't get a loan himself.

I live in a flat that's not far from Seven Sisters tube station. It's only got one bedroom and an all-in-one lounge and kitchen, but I've been here a while now and really like it. I have another Latvian friend in the same block who's also on her own. She has a three-year-old and does piecework machining at home, so when I'm home I sometimes sit with her and look after her toddler while she's working. He's a cute one. I help them out a bit with food, because she hasn't got much. She was good to me when my husband left; we look after each other.

I'm on the Worker Registration Scheme, which means I can claim benefits if necessary. I earn too much now, but if I lost my job I could go on Jobseeker's Allowance. I didn't have to go on the scheme - it's a lot of hassle and expense - but it feels a bit like insurance.

I have a current account now - I opened it 18 months ago - but that's about it. I keep a jar hidden in the flat, and whenever I can spare £5 or £10 I try to put it away. I'm saving to go back to Latvia to see my family. I'm hoping I'll have enough by the end of next year, but some months I have to take money out.

Financial Strategy Segments 2011

Group B: Single Endeavours

Type B06: Flexible Margins

Flexible Margins are in their late 20s and 30s and have made reasonable progress in their careers. Quite transient, they are planning on enjoying life before they commit to further financial responsibility. They rent flats or small terraces from private landlords.

Summary

Flexible Margins are average earners in mid-range jobs and have achieved moderate success in their working life to date. Some are sharing, which helps reduce bills and boosts disposable income. They are renting low-cost, affordable housing privately.

Now in their late 20s and 30s, many are likely to have studied at college or university. Most have not yet thought about starting families. They are in full-time jobs and are keen to work their way upwards and increase their take-home pay.

Most have been resident for only a few years and see their current property as an interim home. Their biggest financial commitment after rent may be financing a car, although they also spend money getting the latest mobile and expenditure can be quite high.

Flexible Margins are very likely to use current accounts and can tend to go overdrawn every month - with or without authorisation - as they wait for their pay to come through. Many have struggled to obtain credit, and the use of loans - including student loans - is quite widespread. There is a chance they will fall behind with their credit commitments through lack of financial focus.

Flexible Margins' use of savings accounts, investment products and insurance is below average, and many have still to consider their pensions properly.

Personal Account

I'm Lukasz, and I'm 29. I got a degree in web technology before working in sales, which wasn't my plan but has turned out well enough. I'm now a sales manager for a mobile phone company. I earn £23k but can make a few thousand in bonuses if things go well.

The place I'm renting now isn't as nice as my old flat share, but it's okay. My girlfriend Ewa and I share the bills, so we're probably better off than we were. I like the fact that we've got the whole flat. We can invite our friends to dinner whenever we want, and if we come home late from clubbing we don't have to worry about upsetting anyone else in the next room.

I wouldn't say I've got money problems, but I've had a few issues in the past. About three years ago I treated myself to one holiday too many in Ibiza and ran up debts. It wasn't too serious - I got a couple of threatening letters - but it meant that when I wanted to buy a car I just couldn't get credit. Looking back, it was irresponsible. My student loan was still hanging over me at the time, so I really had no excuse. I didn't really need the car anyway.

I still spend too much if I'm not careful, but Ewa is quite bossy and reins me in. Some of my friends ask me how I manage to afford things like computer games and DVDs, and they're always jealous about my phones. But I get the phones from work, and my friends have wives, kids, bigger rents; I don't have any of that, which obviously makes a big difference.

Financial Strategy Segments 2011

It's safe to say money's not my area of expertise. If someone handed me a copy of the Financial Times I'd look for the sport pages. Ewa's better at saving than I am - and she's got richer parents! She's even got some cash ISAs. She's probably got about £8k, but that's strictly her money. I've started a company pension, but I haven't really thought about what it means. Retirement is a long way off in my mind.

I've got a decent job, and if things pick up I could earn some good bonuses. I feel pretty confident about the future.

Group B: Single Endeavours

Type B07: Tomorrow's Earners

Aged 18 to 25, Tomorrow's Earners are young people who are students or have recently started their first graduate job. They still have only limited financial products - one credit card and a current account with an authorised overdraft. They prefer modern methods of communicating with their bank and rely on friends and family for advice.

Summary

Tomorrow's Earners have far brighter hopes for the future, but for now these people know they have to get by on just a few thousand a year, beans on toast and pizza. Many will house-share with a number of friends, usually living in converted flats in areas where the predominance of student accommodation attracts high levels of burglary.

By no means will all have a credit card, and very few will have more than one. Tomorrow's Earners are likely to have problems obtaining credit and few have loans other than student loans. They are very likely to go overdrawn - probably on a monthly basis, and often by more than £1k, which is above their authorised overdraft limit. This is the mobile generation - they would much rather manage accounts on their phone than speak to someone in a call centre.

Those who have a savings account will not necessarily appreciate exactly what kind it is and it is likely that the flow of money will be one way: out. There is almost no chance of them having any investments for the future.

A lot of Tomorrow's Earners will have made a claim regarding the theft or attempted theft of a vehicle, yet in general they tend not to use insurance products, often not having contents insurance despite the risks. Keen on internet research but devoted to High Street shopping, they usually rely on family and friends for financial guidance.

Personal Account

I'm Tom, and I'm 21. I'm doing a master's degree in economics. I share a flat with my girlfriend in east London. It's nothing like back home in Hong Kong, but it's cool - I like it. There's a real mix of people, including plenty of students, and it's pretty lively. The only thing I really don't like is the tube - I'm sure you spend more time walking between trains than actually riding in them!

There's a problem with break-ins in this area. Burglars can spot student digs easily and see them as soft targets. A guy on the same course as me had his laptop stolen last month. He left it in full view on the lounge table, and it was gone when he got back from his five-a-side match. It wasn't insured, of course. I feel kind of sorry for those guys who have cars, which are always getting stolen round here or having their windows put through for nothing. I think the thieves expect to find a laptop on the back seat, but they're more likely to find a pile of empty McDonald's cartons. I wouldn't have a car here, even if I could afford one - which I can't.

I can tell you how much I've got in the bank to the penny, because I've just had my weekly text message from them - minus £375.02. I'm usually overdrawn, but I do my best to keep it down. I try to avoid the temptation of spending by not having too much cash in my pocket, although that just means I end up at the ATM all the time. I think it's like that for most students.

My parents are always offering me money advice. I'll always listen to what they have to say, because they've made all this possible for me. They live in a tiny flat in a pretty poor part of Hong Kong and have used so much of their savings to get the best education for my brother and me. My brother graduated from a British university three years ago and works for an investment bank now; I want to follow a similar path. One day we're going to get our parents out of that flat and into the sort of place they deserve - that's our dream.

I can see myself getting a job in Britain when I graduate. I like it here, and if I get a job in a bank in the UK I'll be in a better position to work in Hong Kong later.

Financial Strategy Segments 2011

Group C: Young Essentials

Type C08: Entry-level Workers

Entry-level Workers are singles who are aged 18 to 25 and often live alone in small rented flats and homes. When they can find work it is in low-paid, low-skilled jobs. Some are single parents. Many have little in the way of formal finances. Those with a current account tend to go overdrawn without authorisation.

Summary

Having left school with limited or no qualifications, Entry-level Workers are paying the price in terms of their current employment prospects. Many of these under 25-year-old singles find themselves unemployed and those that have managed to find work are often in manual or unskilled work with low incomes. There is a reliance on local authorities or housing associations to put a roof over their head, usually a flat, and they are likely to move on a regular basis.

One of the big lessons of life is managing money, which is something they are learning on the job. With incomes precarious, it is inevitable many will suffer financial problems - going overdrawn without authorisation and getting demands in the post. Tight controls on how much credit they are allowed keep many in check, but a few who have been able to borrow over-optimistically may now find themselves owing several thousand pounds and wondering how they will ever pay off their debts.

Entry-level Workers do not have the means to plan for their financial future and as such utilisation of savings, investments and pension schemes are very low. Furthermore, with relatively few expensive possessions and reliance on public transport as a means to get about, take up of insurance products in any form is low.

Their mobile phone is seen as an essential, most likely on a pay-as-you-go tariff, with higher than average monthly spend compared to the UK population.

Personal Account

I'm Ashley, and I'm 21. I knew I wasn't going to be a brain surgeon when I left school, but I didn't expect it would be so hard to find a half-decent job. A couple of times I tried to get some security work - I'm six foot two, so I thought that would suit me - but you wouldn't believe how much competition there is for that sort of thing. I didn't even get an interview. So I've ended up working in a food-processing factory.

The best thing about it is that it's only 10 minutes' walk from where I live, which is just as well, because I can't afford a car. The worst thing is that it's the same thing over and over again, day after day, week after week. I'm always on the lookout for something else, but I've been looking for nine months and haven't got anywhere yet. I've just got to keep at it.

I'd like to be a plumber or something like that. They can charge a fortune, so I'd get good money. But I'm not sure how I'd go about it.

I live on my own in a rented bedsit that the council help pay for. It's an old house that's been split up into six. There's black mouldy stuff on the walls, and the paper's coming off the ceiling. But at least it's so small that it heats up quickly when I put the gas fire on. And it's only £250 a month.

I do have money problems - I think you're bound to when you're on £260 a week. I'm learning to be careful apart from Friday nights, when we go into town. Although I sometimes spend more than I can afford, I have to let my hair down. I get the odd letter from the bank, because they reckon I don't have permission to use an overdraft. I think I'm about £100 overdrawn at the minute. Why they let me get the money out of the hole in the wall in the first place is a mystery to me.

Financial Strategy Segments 2011

Group C: Young Essentials

Type C09: Cash Stretchers

Cash Stretchers are singles in their late 20s and early 30s; many of them single parents. A high proportion are not working - they are either looking after the kids or unemployed. Incomes are very low, and any work is low-skilled. They rent small flats or houses from the council. They like technology and will rely on small loans to buy higher-ticket items. Finances can be shaky, but a determination to make things work and enjoy life despite their income enables them to mostly get by.

Summary

Cash Stretchers are singles heading towards 30-something, getting by but often with difficulty. Many are single parents with school-age children. Having to look after children on their own restricts employment opportunities and those who are working are likely to be in low-skilled roles with salaries to match.

Most will be living in council houses or small flats. Their most important luxuries are often a mobile phone or a computer, which are seen as essential, allowing them to keep in touch electronically with friends and family.

Finances will be unstable and debt will be a constant burden, yet many have become adept at making low pay and benefits stretch. Many of these individuals will be looking for opportunities to improve their personal circumstances and are willing to work hard to bring home an income.

Experiences with financial service providers are unlikely to have been positive and many will find alternative ways of raising cash when it is needed, either in the form of home collected credit or by selling items on eBay. Those that have sought professional advice on managing their finances, typically from the Citizens Advice Bureau, may well be using a local credit union to help save a small amount each month.

Personal Account

I'm Kerry, and I'm 32. I have a nine-year-old son with a severe medical condition. His father didn't want to know him when he knew he was disabled, so I've been on my own ever since. I have about £200 a week of benefits. I rent privately - we live in a flat on an estate. I have to pay for everything else - food, clothes, gas, electricity, bus fares and TV licence.

During term time it's not so bad. My son gets free school meals, so I only have to cook properly at weekends. I'll make do with a sandwich most of the time otherwise. But it gets expensive during holiday times. I buy him new clothes, but I get all my clothes second hand.

I can't get a job. Nowadays you have to go to the job centre every six months for an interview to say why you aren't working. I keep a diary that shows all the time I have to go to the hospital. I say to the woman, "I'd always be having to take time off. I wouldn't employ me - would you?"

I have to have a mobile phone because of his illness. And I have a laptop that I got from Cash Converters. Some people say people on benefits shouldn't have things like computers, but I think it's essential for me. When I go to the hospital the consultant says all these long words I've never heard of, but when I come home I can look them up and understand what he's on about.

I save with the Credit Union, who let me save as little as a pound a week for Christmas. They're in the community, so I can do it easily. I'd be embarrassed to go to a bank and put just a pound into my account. The woman at the Credit Union has promised to sit down with me soon and work out a budget for me. It helps to have someone else writing it all down and showing me where I can spend less.

I don't have any debts - I can't get credit anyway, but I don't want it either. I've come close a few times, but I'd rather sell things than borrow. I go to Cash Converters. They buy things off you. If you just want to borrow some money for a fortnight you can take something in, and if you can't pay up they'll keep it. I used to have a much better laptop, but that's where that ended up!

Group D: Growing Rewards

Type D10: Career Priorities

Career Priorities are couples and singles in their 30s and early 40s who have built successful careers and are earning high incomes. Fewer have children, as they put off families until their careers are well established. They have bought expensive properties to reflect their achievements and have high mortgages but still have money to spend. They trust their own intelligence in finances and research direct via company websites while maintaining a healthy scepticism of what they read.

Summary

Career Priorities have left it later than most to start a family. Their jobs have taken priority, and for them the sacrifice has been worth it. As they edge towards their 40s they may have the biggest mortgages, but they are living in homes worth more than half a million pounds and are now eyeing up additional properties as investments.

Career Priorities are on an upward trajectory professionally. Where they have started families, the mother is likely to be working part-time at the very least, keen to retain her professional status and the company Audi and to help with the significant monthly mortgage repayments.

Getting the mortgage paid is a main priority. These people are most likely to have an offset mortgage, and come bonus time they will pay off lump sums to try to reduce the debt on the family home.

Career Priorities are doing well and have avoided the need for personal loans. Use of credit cards is usually controlled with balances paid in full each month.

Their focus on the mortgage means they have accrued only modest savings, which tend to be in cash ISAs, premium bonds and NS&I savings. Those with children will regularly be paying into some form of child savings account.

With companies cutting back on final salary pension schemes, retirement funding is something these individuals will want to address. Many are in money purchase schemes and will consider a SIPP.

Career Priorities are more likely than most to buy income protection, critical illness cover and life insurance. Private medical insurance is becoming increasingly attractive, too.

Less than half consult an IFA, trusting in their own abilities to decide what is best. They will deal direct with financial providers, using the internet and financial press to help carry out any necessary research.

Personal Account

I'm Max, and I'm 41. I'm a marketing manager for a commercial property management firm. My wife, Lara, is a couple of years younger than me. We married two years ago, though we've been together for years. She's a compliance officer with a fund management group in the City. Lara's on maternity leave at the moment, looking after our son. She's planning to go back to work part-time, but we've only had him home a couple of weeks - he spent the first month in an incubator - so that's not a done deal yet.

I'd say that between us we're earning around £75k a year, though that'll go up when Lara's back full-time. We commute into London from Cambridgeshire, where we live in a nice little four-bedroom detached place in a village. The commute to Liverpool Street is a pain, but it's better than being in a pokey flat in London.

We really pushed ourselves on the mortgage for this place. It's worth about £545k. When we moved here we both had places to sell that we'd bought years ago, so we were able to put down a big deposit. But we're still paying around two grand a month on the mortgage. We've got an offset mortgage - it's easy to pay off lump sums when we get our bonuses or the odd chunk from mum.

I've got a Sharesave scheme at work, and that should give us a bit of cash this time next year. Lara gets institutional terms on her company's funds, so we try to put a bit away each month in an equity ISA through them, but on the whole I'm a property man at heart - I believe in bricks and mortar in the long term. As soon as we get the mortgage on this place down I've got my eyes on a cheap dacha near Lake Balaton. I'm trying to convince Lara it would be an investment, but she's not so sure.

We've both got company pensions. We just failed to get under the wire for the final salary scheme, though, so they may not be worth much when we come to retire. It's a concern, I guess - I'd like not to work beyond 60 if I can help it.

We've got all the usual insurance, of course. Just before our son arrived our IFA came round for a review, and we decided to up the life insurance and get some cover in case I lose my job or get ill. I've seen too many firms downsizing to feel secure about my job, and it made sense with the mortgage. I'd already done a bit of research online, but our IFA managed to get us a good deal. He wanted us to look at private medical insurance as well, but we've got that already through Lara's job.

Group D: Growing Rewards

Type D11: Upward Movers

Upward Movers are couples in their late 30s and early 40s with kids. Both parents are likely to be working in good jobs and earning high incomes. Their busy lifestyle requires that they run two cars and find efficient ways of dealing with their finances - often, via the internet. They have sizeable mortgages on good detached homes. Aware their incomes are essential, Upward Movers are the biggest users of critical illness and life cover.

Summary

Well-educated, usually to degree level, Upward Movers are married couples in their 30s and early 40s both earning good incomes in professional careers. They are working hard to achieve career success while bringing up young children.

Two cars, often a benefit of their jobs, are required for work and taking the children to school.

Typically, the mortgage will be high and have plenty of years still to run, with many making use of offsetting to give the flexibility to make extra payments. They will keep their eyes on mortgage offers available in the market and may look to renegotiate terms at the end of introductory deals.

Credit cards are used extensively with some rate-surfing to ensure they are getting the best rate. Although Upward Movers manage to keep on top of bills, these people have to maintain a close watch on their finances because of their large mortgage commitments.

With reliance on joint incomes to service their debts, insurance - such as critical illness cover - is common; they are planning ahead for what might happen if they are unable to work. Use of the internet, for both company and price comparison sites, is common to research financial services products, although some may choose to take the advice of an IFA prior to making a final decision.

Most have started to make pension provisions, with around two-thirds in company pension schemes. Savings levels are average, which suggests they are paying off the mortgage as a priority, although they actively save for the children, often paying into accounts on a monthly basis.

Personal Account

I'm Juliet, and I'm 38. My husband, Simon, is 41. I work three days a week in marketing for a big bank; Simon's an IT consultant. We have two children, a boy of 10 and a girl of 8.

Our total household income is £90k, the bulk of which comes from Simon. I do have plenty of qualifications, though - I have a degree in history and an MBA in business. I'm overqualified for this job, but the hours suit me, and it's experience that will put me in a good position when the kids are older and I can work full-time. At the moment I'm having to juggle this job with packing lunches, cleaning up after everyone and being the family taxi driver. I must spend the equivalent of a working day each week just running the kids to and from school and to their various clubs and activities.

Financial Strategy Segments 2011

We've lived in our house for six years; I think it's worth something like £350k. Ours is quite small compared to a lot of them around here. We live in a nice area with good schools, so we were willing to pay more for a smaller property.

We like to use credit cards to make buying easier, and we mostly pay them off in full each month to avoid the interest charges. Simon has three, and when I counted how many I had recently I ended up shredding some of them. I also have a few store cards - I like the extra discounts you get, which is why they're worth having. I don't like to waste money, so I use the MoneySavingExpert website for deals and money off offers and to make savings. I don't have time to do this as much as I should, though.

As well as a joint current account, we've got a few savings accounts. We also both have an ISA, which Simon takes care of, although I'm not sure how well he understands it. We've also got Child Trust Funds for the children which we pay into regularly. I've been with the same bank for about 10 years; I don't particularly feel any loyalty, but I've never felt the need to move elsewhere.

We both have company pensions. Our home insurance and insurance for my car is arranged through the internet.

Our biggest fear is losing an income. Simon has income protection, which means if he's made redundant we'd be able to continue paying the mortgage. We've both got life insurance cover that we arranged when our son was born. It's about £70 a month for us both, which was a lot back then but feels like a good deal now. I also get a death-in-service benefit from my employer, which would be worth four times my salary if I died.

We should get some critical illness cover, and that's on the job list. I keep pestering Simon to sort it, but he's always too busy.

Group D: Growing Rewards

Type D12: Family Progression

Family Progression are couples in or close to their 30s with kids. Often both parents work full-time, earning two good incomes. They own comfortable family homes and have a sizeable mortgage. Time is short with jobs and family to look after, so the internet is often used. They may dip into overdraft sometimes and have a practical level of insurance cover.

Summary

Family Progression might be called the "have it all" generation, but the decent salary and nice house can sometimes offer small comfort when you are juggling jobs and sleepless babies.

These are modern couples - many have yet to marry - in their 30s, working full-time, with young children. They have left starting families a bit later than most to get their careers firmly established.

As careers have progressed they have moved up the property ladder and have established themselves in nice homes - often suburban semis - and, while the mortgage is much higher than average, between the two of them they can manage provided they continue working. They are trying to bring the mortgage down by reviewing it regularly and changing lender to get a better deal when they are available.

This is an expensive stage in life, and sometimes the credit card and overdraft facility can take a hit, so anything that keeps interest payments down is welcome. These families are internet-savvy and will search out good deals and manage their accounts online.

Savings are beginning to become a priority. Cash ISAs are popular, but many will have Child Trust Funds and children's savings accounts as well.

Fortunately, many have company pension schemes - often money purchase - so that is one thing they can put on the back burner. Life insurance is often in place, but, due to the cost, critical illness cover is taken up less frequently than more affluent families.

Personal Account

I'm Syed, and I'm 37. I'm a software salesman. My wife, Deepa, is 40; she's a manager in the tax department at the council. We've got two kids. We're married, but at work, on her passport and on Facebook Deepa still uses her maiden name.

We moved here five years ago, at the point we were planning to have kids. Our first house was a nice Victorian terrace that we'd done up, but the garden wasn't very big. This is a four-bedroom semi. It's probably worth about £240k. We'd still like something grander, and in theory we could probably afford a bigger mortgage - we earn about £38k each, so our mortgage is only around two times our combined salaries. With the nursery costs and buying things like prams, nappies and baby milk, though, it's a struggle not to go overdrawn each month as it is. It'll be easier when the kids have reached school age.

We still have the kids in nursery, and Deepa's mum lives round the corner. We've started going out once a week, and mum babysits.

Financial Strategy Segments 2011

We both pay into pension schemes through work, and Deepa's pension is a final salary scheme, which is good. We can't do much more than that at the moment, but we do try to put away a bit each month into a cash ISA; we've also started saving £25 a month for each of the kids. If we're lucky, by the time they get to university we'll be able to pay the fees for at least one year.

I have an equity ISA with the building society that I took out a while ago. It's tied to the stock market in some way and is supposed to not go down if the market crashes, but I don't really understand it. It made sense when they explained it at the time.

I organise insurance online. We've got life insurance - we wouldn't have dreamed of that five years ago, but when you have kids things change, don't they.

I don't know where we'd be without the internet. We do most of our shopping online these days, and we've shopped around for the best mortgage deals and credit card terms there as well. It's fantastic when you've got two little ones and can't get out so easily.

Group D: Growing Rewards

Type D13: Savvy Switchers

Savvy Switchers are couples in their late 30s early 40s with children. They have two above-average incomes, though one may be part-time. They have repayment mortgages on their mid-range semis and smaller detached homes. While their incomes are okay, they know they need to make the most of them and are likely to search for better deals online, such as transferring a credit card balance, finding the best insurance deal or loan rate.

Summary

Savvy Switchers earn above the national average, as a household, but often have stretched themselves to take on a big mortgage and have the additional costs of raising children. Typically, one works full-time and the other part-time or reduced hours, often in the private and public sectors respectively.

Savvy Switchers like to hunt out the best deals and will use the internet to look for the best deals on credit cards and insurance premiums and are likely to change providers. They may well renegotiate with their existing mortgage provider prior to switching, but if the right deals are not available they will happily change lenders.

Attempts are made to add to their below-average savings; in the main, however, the most regular deposits are made into the children's savings accounts. Two-thirds have a company pension, with many others having some form of personal pension provision.

Savvy Switchers are big users of insurance, which suggests that, while they are reasonably comfortable, they are aware things could change quickly. This includes life insurance and critical illness cover. One in ten has income protection.

Personal Account

I'm Mark, and I'm 38. I'm married to Clare, who's 36. We have a daughter of 11. I'm a director of my own logistics firm; basically, we provide drivers to get things from A to B. I pay myself via dividends, which total around £35k a year. Clare is a part-time manager at a sports injury clinic.

We live in a modern, detached four-bedroom house that's worth somewhere in the region of £210k. We've been there for five years, so we've got a long way to go on the mortgage. When we bought it, we made a financial commitment to upgrade to a nice house and had to take out a repayment mortgage over 30 years to be able to afford it. When we first took it out it was a bit of a monkey on my back, but over time we've been able to afford the payments more easily. When I was a kid I never imagined owning a house like this, so it's worth it.

We have a couple of current accounts with Halifax, which we can manage online. I've been with them for 20 years; when I went to them they were just a building society. I do feel some loyalty to them, because they're good. Eight years ago I had my wallet stolen and in one day suddenly had about five contracts at PC World and four telephones, so the thieves were obviously professionals. The bank were absolutely brilliant. My wife has a savings account with a different bank and every time she phones to transfer money she gets the hard sell, which she hates.

Financial Strategy Segments 2011

We have just one credit card. We used to have more, but we've cut them up - I found it was just too easy to use them. I owe a lot of people a lot of money through my business, and I don't need to have personal debt as well. I view them as an indulgence, something you use to buy things you can't really have. If my business went under tomorrow I'd have nothing. You get to the point where you say "that's enough". We're of the mindset now where we just buy what we need, almost hand-to-mouth sometimes. For things like Christmas, for example, we've got an amount of money that we spread across the family. The same goes for holidays. This year we didn't book it until we'd saved the money.

We run two cars, which are both insured fully comprehensive. I get my car through my company; it's on the company's insurance, which saves us some money. It's one of the perks of having your own business.

I've got a company pension, although I froze it last year, as it was a difficult time for the business. I'm a big fan of Gocompare.com. I get an insurance quote, look at competitors and then ask to get put through to the loyalty department of my existing insurer. They always send me a revised price. My wife and I both have iPhones, and I'm in awe of the technology. We're busy people, and it means we can use the internet to check things on the move. She loves to search the net to get vouchers from online shopping companies for things like free delivery. You can always go out there and find better deals - the internet is a massive portal for challenging things. Companies need to work harder to get your business.

Financial Strategy Segments 2011

Group E: Family Interest

Type E14: New Nesters

New Nesters are couples in their late 20s and early 30s and living in their first family home. Both partners are likely to be working, earning incomes that are slightly above average. They have a repayment mortgage and often use loans for items for the home or car purchases. They stay on top of their finances by using their authorised overdraft for cash flow and switching providers to save money.

Summary

Couples in their late 20s and early 30s, New Nesters are settling down, establishing roots and have either started extending their families or are thinking about it.

Often office workers, they both work full-time and have earned respectable salaries for a few years to enable them to buy their first home - a good value semi or characterful Victorian terrace. Weekends have been spent decorating and renovating the place.

This is a tricky stage of life, with lots of financial demands. New Nesters are sensible and, with a mortgage three times their joint salary, have been careful not to overstretch themselves. They are, however, likely to have loans, whether for the car or home improvements. Most will go overdrawn at some point during the year - many of them regularly - but usually by just a few hundred pounds.

New Nesters are from a generation that is comfortable with debt, as long as it does not get beyond them. So they will always be looking for the best credit card deal, searching the internet for cheaper car and home insurance and keeping the outgoings down wherever possible.

New Nesters know their capacity to service debt depends on their joint incomes. They will often have insurance to cover loan repayments, income, life and critical illness; even the dog will be insured. They are less likely than most to have travel insurance. Holidays abroad are off the agenda at the moment.

New Nesters will have started to put something aside for the children but ask them again in a few years if you want to talk to them about longer term investments, including pensions.

Personal Account

I'm Matthew, and I'm 32. I'm a primary school teacher. My wife, Vikki, is a PA to one of the directors of a well-known car-hire firm; she's 29. We met at a dinner party about four years ago and hit it off immediately. She moved into my rented flat about six weeks later - it was supposed to be temporary while she found her own place, but she never moved out.

We bought our house just over two years ago. It's a typical Victorian three-bedroom terrace. Structurally it was fine, but it needed decorating top to bottom. We had to replace the bathroom - we took a loan out for that but kept the cost down to a minimum by buying everything at B&Q and getting a plumber to just do the essentials; we did the rest. I've become a dab hand at painting - I knew all these years doing art with kids at school would pay off.

Six months ago we had our daughter. She's gorgeous. The way things are going already, we'll need a loft conversion for all her toys - seriously, though, it's probably more likely than a house move.

Vikki's good with money and always looking to get the best interest rates on the credit card and the best deals on gear for the house, but things are a bit tight at the moment. We went to Goa the first year we met - I think it'll be a while before we can have a holiday like that again!

The key thing is keeping our jobs. I'm okay, I think, but we worry about hers a bit. Actually, Vikki worries a lot. She'd have liked to have extended her maternity leave and gone part-time at work, but she was worried that if she did they might find they could do without her and get rid of her. With our daughter here now, we can't afford to lose an income, so she's got all sorts of insurance: mortgage protection, payment protection insurance, income protection, critical illness - she's even insured the cat.

She does well though, I think she's got really cheap deals on most of them. I can trust her to nail a bargain. She always haggles, too - she renegotiated our mobile phone packages the other day and saved us £12 a month. We haven't bothered with a landline - it's not worth it.

Obviously we don't have any savings at the moment, so we don't need any financial advice. If we did we'd know where to go - my dad knows his stuff, and my best man is a financial adviser. I've got a pension, but I'm not sure what Vikki's got. We talked about it recently, but I've forgotten what she said! I seem to forget a lot these days - our daughter's teething, and the sleepless nights are catching up with me.

Group E: Family Interest

Type E15: Security Seekers

Security Seekers are couples in their late 30s and early 40s with school-age children. They earn average incomes, often one full-time and the other part-time, and have made some progress on paying off the mortgage on their modest semi or terrace. Without much disposable income, they use loans or increase the mortgage when large sums are needed. They make wide use of insurance to protect themselves against any loss of income.

Summary

Security Seekers are families at that stage of life where the children are settled or about to settle in local comprehensive schools, so a move is unlikely.

Security Seekers bought their homes - picture a small semi in a better-value part of town - several years ago, and both partners are often working, with average wages. With hungry, fast-growing kids demanding clothes, computers and money for after school activities, the mortgage makes things a bit tight.

Security Seekers have been paying off their repayment mortgage for some years, as this is one of their biggest items of monthly expenditure. They are most likely to change their lender in search of a better deal. Often they will increase borrowings at the same time, exploiting the rise in the house's value since purchase, to release some equity and help them get through a tough patch.

Some will have personal loans secured against their homes, sometimes for loan consolidation, and there is a tendency to go overdrawn on their current accounts, suggesting that meeting all of their commitments can be a stretch.

They are quite likely to use Child Trust Funds and other children's savings accounts, but saving for themselves is largely out of the question. This is not to say they do not worry about the future - fears over job security lead to the use of payment protection insurance and mortgage payment protection insurance. Pensions are typically in the form of stakeholder or money purchase taken directly from their salaries.

Personal Account

I'm Neil, and I'm 40. I'm married to Lisa, who's 36; she looks after our children, who are 14 and 11. We live on a nice estate in a semi-detached house that we bought just before the youngest started school.

I'm an assistant store manager with a big-name high street retailer. I earn £29k, which isn't great but isn't bad either. Lisa's a learning support assistant for children with special needs, but it's only a term-time job, so she gets about £12k a year.

The house is worth about £140k now, a lot more than we paid for it, but we haven't really got the mortgage down - every time we remortgage we always seem to end up borrowing a bit more. We watch the mortgage payments closely, and if we can get a better deal we will. We use the Moneysupermarket.com website and the internet generally to look for the best rates. The last time we managed to get a discounted deal for two years; after that we'll have to look again. It costs quite a bit in completion fees, and they'll charge us when we swap again, but it usually works out saving us money.

It's also cheaper than the credit card, so if we've run up a big bill on the MasterCard we'll wipe it out at the same time. We're not just using the mortgage to pay off debts, though. If we increase the mortgage we usually try to get a job done at the same time. Last time it was a new bathroom, and before that we had the front windows double-glazed, which has saved us painting and decorating and made the house warmer as well - the old windows were on their last legs.

The mortgage is our biggest bill, but the kids cost us a fortune, too. I think it would have been easier if we'd had two boys or two girls. When you've got one of each you can't pass anything down and they grow so fast. We've been measuring the kids against a wall in the kitchen since they were toddlers, marking off with a pencil where they've reached. The other day I looked at our youngest and thought she looked taller. So I put her against the wall. I swear my wife had only measured her the week before, but she was nearly a centimetre taller - a centimetre in a week? No wonder we spend so much on shoes and clothes when they're growing so fast.

We've got all the bills on top of that, and between us we get through £50 a week in petrol just driving to and from work. The cars are an expense, but we both need them for our jobs. By the end of most months we're overdrawn. It's a bit of a struggle.

Lisa saves £25 a month into a Friendly Society savings plan for each of the kids. We were trying to save for ourselves, but something always comes along to stop that. We worry a bit about the future. If the boss turned round tomorrow and said I had to transfer to another store further away - well, something like that would tip us over the edge. That's why we've got mortgage protection insurance. The biggest worry we have is being kicked out of our home, so that's worth paying for.

Group F: Accumulated Wealth

Type F16: Premier Portfolios

Premier Portfolios are couples aged in their 40s and early 50s, enjoying the highest incomes and having considerable assets. They own very expensive homes, several luxury cars and have a portfolio of sophisticated financial holdings that often includes additional properties. Many are company directors and business owners. They spend a high amount on insurance to protect their assets and often make use of specialist insurance brokers.

Summary

Enjoying the highest incomes of any type, many of these individuals earn well in excess of £100K, with household incomes comfortably in six-figure territory.

Premier Portfolios are very likely to be highly qualified and to occupy professional and senior management roles. Many are directors of large firms - very possibly their own - with sizeable workforces of 50 or more employees.

Premier Portfolios live in exclusive homes. "Exclusive" may be an overused description in the house-building industry, but these really are precisely that: large detached houses, farms or luxury penthouses - and in some cases, one of each. These people are most likely to own multiple properties with multiple mortgages, some of which may well be on interest-only terms.

Many will use the services of a wealth manager and so have a wide spread of investments, including non-mainstream products. Premier Portfolios are very likely to use SIPPs for their pensions and to allow their adviser to build and manage bespoke retirement portfolios for them. They like to read financial publications and prefer dealing directly with human beings when it comes to money matters.

With valuable possessions to protect, they spend a considerable amount on insurance premiums. Annual travel insurance is a must as business and pleasure are likely to mean spending a considerable time abroad each year.

Personal Account

I'm Alastair, and I'm 54. I own a metal works and employ around 200 people. Metal has been an interesting business to be in for the past decade or so. The global economic crisis, recession, cuts - I take nothing for granted, but we've got through them all. As long as you've got countries like India and China, developing nations with growing economies, there should be a place for metal works.

I inherited the business from my father when I was 35. I always knew it would be mine one day, and I made sure I was ready to take over the reins. I got a business degree and an MBA and worked my way to the top. Dad had built the business into a very good little firm, with 40 or so staff and some excellent contracts, but I took it to the next level. Our annual turnover has been over £10m for more than a decade now and is building nicely.

I live with my wife, Gabrielle, who's 53. She could be a lady of leisure if she wanted, but she likes working as an events manager for a well-known charity. She could easily have set up her own business doing that kind of thing, but I talked her out of it. Owning and running a company can be very stressful, however well things might be going.

Financial Strategy Segments 2011

We bought the house we live in when it was new. It was £950k, and we bought it outright for cash. It's worth about £1.25m now because of the improvements we've had made. At one point we toyed with the idea of an indoor swimming pool, but in the end we had a bar, cinema and games room built instead. My pride and joy is an antique billiards table I had imported from a place in New York. The place is way too big for the two of us, but we're hoping our children will get round to providing us with some grandchildren one day.

I like to think I'm forward-looking, and I began investing when I was still at university. At the start it was just a few hundred pounds in shares; now we're talking hedge funds, bonds, equity ISAs, exchange-traded funds, unit trusts, funds of funds - and metals, of course, especially gold.

I use a wealth manager, but I keep an eye on what he's doing. I read the financial pages religiously every Sunday and always look for something new. I've just got into life settlements and forestry. I like looking for an edge. We've met him face-to-face many times and value his input. When you've entrusted your money to someone you've got to see that person; you need to get to know them, just like they need to know you. You can't leave it all to an e-mail or a mouse-clicking session; in fact, I don't like to manage my accounts online. The risks seem too high for me.

Group F: Accumulated Wealth

Type F17: Fast-track Fortunes

Fast-track Fortunes are couples, mostly aged in their late 30s and early 40s, who have achieved very high incomes at a relatively early age. Many have children. They own expensive detached homes on which they have high mortgages and will be paying off lump sums when they can. They have an excellent range of investments and love dealing with their finances online. Most have private medical insurance.

Summary

In their mid-30s to mid-40s, Fast-track Fortunes couples earn some of the highest wages. Their household incomes are often well into six figures. They will be well-qualified and employed in high-status positions. Some are self-employed and run their own companies; some will be directors of smaller firms.

Living in an expensive detached home funded by a large mortgage motivates them to find the best rate available and pay off lump sums whenever they can.

Fast-track Fortunes have several credit cards but typically don't revolve large balances so they are used for convenience and security, especially when making online purchases.

Fast-track Fortunes have made good progress with investments, including additional properties in their portfolio. A broad range of savings and investment products are paid into, especially ISAs (cash and equity) and the stock market as well as deposits to Child Trust Funds and savings accounts.

Their financial future is very important and they will have a range of personal and company pension provision in place. They are also very likely to have income protection insurance and private medical insurance; they cannot countenance any threat to their current position until they have built their assets even further.

Interestingly, these individuals will typically hold relatively large sums in their current account for use on impulse purchases.

Fast-track Fortunes love technology, including the internet, where financial websites are often consulted, although many will seek professional advice before making investment decisions.

Personal Account

I'm Dominic, and I'm 42. I'm married to Susannah, who's 41, and we live in a farmhouse in the Yorkshire Dales with our daughters. We're not farmers - nothing like. Susannah applied for a job as head of a primary school near here, and we earmarked this place after we spotted it on the internet. When she got the job we went for it. We rented out our old place until we could sell it, which took about six months. We got the farmhouse, a barn and three acres of land for £475k. It's a wonderful environment for the girls to grow up in.

I run a publishing company that specialises in niche publications, mainly sport and leisure. I set it up 10 years ago as a spin-off from the place I was working at previously; two of the directors there have capital invested in it, but I'm the majority shareholder. I started out doing everything myself - the writing, the layout, the graphic design - but I've got six staff now and use another six on a freelance basis. We don't need premises as such - I can coordinate everything from a fantastic office I've had built in the barn. My Macs and my mobile - that's all I need. So I'm always around for the girls, which I love, although we do use nannies as and when.

For the last few years I've generally been able to pay myself around £80k; Susannah gets £50k and a decent pension. So taking on a big mortgage wasn't a major problem. It's around £2.5k a month at the moment, which is a fair whack but affordable. We took a good chunk out of it last year when a large additional payment from my top customer came through; the books were already looking good, so I took the whole £20k and put it towards the mortgage. A few more lump sums would be nice!

I keep quite a bit of cash in my current account. I like to know I've got a reasonably large cushion I can access instantly. Provided I've got funds elsewhere that are making money for me, it makes sense - even if the bank doesn't necessarily agree. I used my current account to put a big deposit down on a Porsche 911 last year, and even then I didn't go overdrawn - nowhere near. I part-exchanged my Z4, took a chunk out of my savings and hey presto - I'd achieved one of my life ambitions.

I've had the same financial adviser for the best part of 20 years. He's my parents' IFA as well, so I feel like I've always known him. There wasn't much he could do for me at first, but he got me paying into a personal pension as soon as I could and set up a couple of ISAs for me. I've got a good business head, but I'm happy to rely on his advice when it comes to money. I rate him, because I know he's done a good job for my folks for a long time. And he's doing a good job for me, too - we've made just short of 10% in the last year, which is no mean feat in the current climate. Susannah and I have about £100k worth of investments now. As my IFA points out, it would be even more without the Porsche!

Financial Strategy Segments 2011

Group F: Accumulated Wealth

Type F18: Asset Accruers

Asset Accruers are couples in their late 40s and 50s who often have adult children at home. They have enjoyed successful careers to date and have carefully invested over the years to give themselves significant savings, investments and pension portfolios and high-quality detached homes, which they mostly own outright.

Summary

Successful older high-income families, these couples are in their late 40s and 50s, earning wages that are significantly above average. They are likely to be well-educated, have impressive qualifications and work in high-level jobs. Some are company directors. One partner may work part-time as a lifestyle choice.

Asset Accruers live in sizeable detached properties, and if they have not paid off the mortgage yet they soon will.

Asset Accruers have numerous credit cards, perhaps store cards as well, and they always pay these off in full each month so they are used for convenience rather than out of necessity.

Often guided by IFAs, Asset Accruers have a wide range of investments, including equity ISAs, stocks and shares, life insurance, company investment bonds and perhaps other, more esoteric options. They are adding to their investments as much as possible with an eye to retiring in the same comfort they enjoy now. On top of their company pensions, it is likely their total savings and investments already represent a six-figure sum.

With foreign holidays on the agenda each year, Asset Accruers are likely to have annual travel insurance. They may get private medical insurance through work, but if not they are willing to pay for themselves.

Personal Account

I'm Howard, and I'm 54. I live with my wife Virginia, who's 52, in a market town just outside the M25. They used to call it the stockbroker belt; it's certainly prime commuter territory. The first time I went to the station to catch the train into London it was like something out of a Reggie Perrin episode - lots of businessmen in pinstripes, copies of the FT in hand, all standing in their favourite spots on the platform so they could get their preferred seats.

I was a relationship manager for more than 30 years, working for a couple of leading stockbroker firms. I got a bit disillusioned when my last place was bought out by a big investment bank. It became all corporate, with orders from on high, and I felt we'd lost the personal touch. A couple of the guys left and set up their own wealth management firm. They'd managed to get £30m of funds under management in just over six months and were looking to expand, so I joined them. I earn a bit less than I did, but I have some equity in the business and more responsibility.

Virginia's got a great job. She's a book editor, working for a major publishing house. She's always earned at least as much as I do. We earn about £125k between us now. The property prices around here seem to exist in a vacuum - always high - but we're in the fortunate position of being able to afford it and expect to have cleared the mortgage within the next year.

We have a daughter, Alexandra, who's 26. She's studying in Scotland and is just finishing her PhD. We help her out financially whenever she needs it. It's not a fortune by any means, but it's important she knows we'll support her whenever necessary.

We've got over £100k in savings and investments. We took a bit of a battering during the financial crisis, although I think I did better than a lot of people - I'd taken some risk off the table in time - and my portfolio recovered well afterwards. My big mistake was not to jump back into the markets sooner.

The guys at work would be happy to manage some money for me, but I prefer to do it myself. I run my own SIPP and ISAs through Hargreaves Lansdown - I have a mix of direct equities that I know well, along with some bond funds, commercial property funds and commodity ETFs. On top of that, we've both got quite healthy pensions.

Just recently we've started thinking about moving to the countryside. With good information technology, there's no particular reason for us to be so near to London and commuting. We're thinking about the Vale of Belvoir or the Peak District. We could get over £450k for this place and spend £300k on a nice cottage. And if we did that we could genuinely start looking towards winding down in a few years. All in all, it's quite exciting.

Financial Strategy Segments 2011

Group F: Accumulated Wealth

Type F19: Self-made Success

Self-made Success are couples aged between 46 and 60 and often live with adult children at home. They are frequently owners or directors of small businesses; their good incomes reflect the hard work they have put into their business or career over many years. Partners are often working part-time. They own a high-value property with a low mortgage, have accrued excellent savings and can now enjoy life, buy nice cars and travel.

Summary

Self-made Success have achieved success through their own initiative and enterprise. They are now in their 40s and 50s and owners or directors of small businesses - usually firms with 50 or fewer employees.

They are earning good salaries and building value in a business that they might realise at a later date - the longed-for "liquidity event". The next generation is still at home even though they are adults, meaning there are often three cars that sit on the driveway.

In many cases one partner will work full-time and the other part-time. Homes are considerably more expensive than average, detached and well-positioned. They may also own a holiday home or a buy-to-let investment property.

Self-employed and paying income tax only twice a year, accruing payments in an offset mortgage is tax-efficient - and these people like tax-efficiency. They will scour the FT Money section each Saturday for tips for managing their money wisely.

Self-made Success have no need for loans but will use credit cards regularly, although the balances are most likely paid in full each month.

Frequently guided by IFAs, they have impressive savings and a wide spread of investments. It is very likely they will have pensions, possibly SIPPs. They will be thinking ahead and looking to income drawdown rather than annuities, because they like the thought of passing their wealth on to the next generation rather than a life company.

Self-made Success have accumulated a wealth of material possessions, including executive and vintage cars, so a range of general insurance products are often utilised.

Health is important in order to enjoy impending retirement so expect these couples to have private medical insurance in place.

Self-made Success are service orientated and are typically loyal to their providers, who will have been chosen carefully.

Personal Account

I'm Hamish and I'm 50. I live with my wife, Annabel, who's 47, and Calum, the younger of our two sons, who's 22. I'm the director of my own business, a sign-writing firm with a staff of 40. Annabel's a part-time office manager. We've worked hard all our lives - I started the business from scratch.

I graduated with an art degree and began working for a sign-writing company in Birmingham. I got a few years' experience under my belt and then made the big move by branching out on my own. I knew I could do a better job than what I'd seen, certainly in terms of attracting new business. I was a one-man band for a while but grew the business by word of mouth, and as soon as I picked up my first decent contract I started recruiting - it just snowballed from there. Now we have some big-name clients in our portfolio, including a major pub group, and the business is on a sound footing.

I still don't take a huge wage out of it - I'm still investing in the business's growth. On the advice of my IFA, though, I do salary-sacrifice into my SIPP, because that's tax-efficient. At some point I'll sell up, and I'm hoping for a decent windfall then. It's possible the two senior guys who help me run it could do a management buyout.

We bought our house 18 years ago. It was built in the '70s in the middle of a very traditional village. It sticks out like a sore thumb in many ways - Lord knows how they got planning permission for it - but you can't really see it from the road. It's got four bedrooms, a triple garage and an enormous garden. I'm told it's probably worth £650k-plus on today's market. We've got an offset mortgage but have pretty much paid it off.

Calum's not long out of university and has just started work with an accountancy firm nearby. It's nice to have him at home, although I doubt he'll be around long. We're here for him - that goes without saying - but we've never given him anything on a plate. I remember when he passed his driving test and we bought him a second-hand Fiesta, the most basic model you could get. He was quite taken aback by that, but we wanted him to appreciate you have to earn the finer things in life and shouldn't expect them to just fall into your lap.

That's the stage we're at now. We can treat ourselves. My everyday car is a BMW, but I've got a couple of classics in the garage: a Morgan and a Jensen. We also go on holiday at least three or four times a year. In the last 12 months we've been to Venice, Madrid and New York. That's why we've got travel insurance. We're big on insurance in general.

We know we're lucky. We've worked hard and still need to put in a few more years yet, but we're reaping the benefits earlier than we dreamed.

Group F: Accumulated Wealth

Type F20: Golden Outlook

Golden Outlook couples are aged in their late 50s or early 60s and have very comfortable incomes. Some can afford to cut back on work or even retire early. Many will have the security of a final salary pension scheme. They have an excellent investment portfolio, and many own stocks and shares. They have lived in their good-quality detached homes for many years and own them outright.

Summary

Golden Outlook are couples in their late 50s and early 60s, planning to wind down into retirement - starting as soon as possible. Some may have already got there. They work - or have worked - as managers or senior professionals. Around one in three are directors of small firms. Although there is a good chance one partner will have retired or moved to part-time employment, household income is still high.

Homes are detached, desirable properties and often in more rural areas. They have lived there for some years and have paid off the mortgage.

Golden Outlooks are likely to have numerous credit cards, as well as store cards from established high street brands, which are used for convenience.

Golden Outlook value the security of expert advice and are likely to have an IFA or wealth manager to look after their considerable investments. As a result they will have diverse and sophisticated portfolios, including alternatives such as structured products and commodities, as well as the usual mix of equities, bonds and property. Most will still be adding to their investments, although not at the same rate they would have been a few years ago.

Many have company pensions; some have SIPPs. Some have begun or are planning to use income drawdown. Travel insurance is a must with all the foreign holidays, but don't expect them to shop for this online. Private medical insurance is also popular.

Personal Account

I'm Geoffrey, and I'm 58. I've been a quantity surveyor in the civil engineering industry for 30 years. I'm married to Vivien, who's also 58; she's a senior midwife. We live in a four-bedroom cottage in a market town near the Cotswolds. It's been the family home for more than 20 years. Our children - we have two boys, both in their late 20s - left a long time ago now, but we've never considered moving somewhere smaller. We could sell up for well over £400k and downsize, but we don't need to.

I wouldn't want to move elsewhere either. We've got a close community of friends here and feel very comfortable. Our eldest is married with kids now and lives about a hundred miles away. He's suggested it would be a good idea to move closer to him at some point - "before it's too late", he says - but I tell him not to write us off so soon! Anyway, what's to say he won't move himself - and then where would we be?

We had hoped to retire at 60, but the financial crisis made a very slight dent in that particular plan! The idea now is for both of us to continue working for just a little longer, which is a bit of a disappointment but no real hardship in the great scheme of things - certainly not compared to what a lot of other people have to cope with. Vivien has just gone part-time -

the hospital has been very accommodating - and I'm carrying on for the time being. Our income has gone down to about £90k since Vivien cut her hours. We'll still be happily retired well before we're 65. We could have stuck to the original plan, but we want a good retirement and not to be worrying about money. We've got some big travel ambitions and want to do it in comfort, so it makes sense to carry on just a bit longer.

The best advice our IFA ever gave us was to diversify - to spread our bets, as it were. We took a hit during the crunch, but, because we didn't have all our eggs in one basket, it wasn't the end of the world. Some of my friends can't say the same, I'm afraid. I wouldn't dream of having everything in the stock market. These days I have some absolute return investments too - they're specifically designed to do well in all market conditions.

I think too many people take advice from unreliable sources. A lot of what you read on the internet is plainly nonsense. I take the view that anyone could have written half the stuff on the web; I bet kids write a lot of it. You know if you read the Financial Times or the Daily Telegraph's money pages that the writers know what they're talking about.

Group G: Consolidating Assets

Type G21: Sound Positions

Sound Positions are couples in their 40s and early 50s who live in good-quality detached homes, often with adult children still at home. They have a comfortable household income that is often based on two good salaries, and the mortgage is well on the way to being paid off. They have made a good start to their savings portfolio.

Summary

In their mid-40s to 50s, these are well-qualified couples in senior positions - some of them running their own businesses - earning good wages and able to support their growing children comfortably. Some may still have adult children at home.

Some years ago they stretched themselves to buy a nice detached house in a good area. Now they are reaping the benefits. They have a lovely home, a couple of decent cars on the drive and a mortgage that is coming down quickly.

Sound Positions are more likely than most to have changed their mortgage arrangements fairly recently, often to get better interest rates or more flexible repayment terms to enable them to pay it down more quickly, so offset mortgages appeal to many.

Even though they have access to credit they tend not to use it other than on credit cards, or an authorised overdraft, but they will invariably have cleared the deck come month end.

Sound Positions still have some time until retirement and are willing to embrace a level of risk, so they have equity ISAs as well as cash savings products and are starting to build an investment portfolio for their future. They are likely to have been paying into pensions for a period of time so, all being well, the future should be bright.

While they will take some investment risks, their home is not something they are willing to put at risk and neither is their health, so income protection and private medical insurance take up is high amongst these people.

Personal Account

I'm Kim, and I'm 47. I'm married to Ian, who's 49. We live in a nice four-bedroom detached house that we moved into some years ago, when it was new. It's on a good estate on the outskirts of town. Every house is different; there are lots of trees, and the speed-humps are cobbled. It's really quiet - and living on a cul-de-sac makes it even quieter. We're about a mile from the town and a mile from the countryside, so it's a good place to be.

I earn £29k as an assistant branch manager with a well-known bank. I've been there nearly 20 years and worked my way up from cashier. I feel very attached to the place, as you would if you've been somewhere a long time and moved up through the ranks. I wouldn't say the pay is fantastic - not everyone in banking pockets a fortune - but the pension and benefits are very good.

Ian gets £42k as a systems analyst. He used to work only half a mile from me, but his office closed eight years ago after the company was bought out by an American firm. We spent a couple of months fearing the worst. In the end there were no lay-offs, but his whole department was transferred to another site 30 miles away. We thought about moving, but we'd not long bought this place and didn't fancy uprooting ourselves again. The solution we eventually settled on was that he uses my Mini and I drive his Jaguar. It's not a bad commute for him, actually - 15 minutes to get on the motorway and a pretty clear run after that. He'll live.

Our son, Jake, joined the police when he was 21. He's 23 now and has just left home. We helped set him up in one of those trendy new terraces that seem to have been cropping up all over the place just lately. He contributed to the bills when he was with us, but we can easily cope without him - no offence.

Really, the prospect of Ian being made redundant is the only financial scare we've had for a while now. We're very settled. The house is worth £300k - about £100k more than we spent on it - and we're well on top of the mortgage. We renegotiated the terms five years ago, but we didn't do it because we were in any kind of trouble. We did it because we both got nice pay rises in quick succession and could afford to put a bit more towards it. We certainly don't worry about it; in fact, we barely give it a thought any more.

We've always saved well - I have to practise what I preach, after all. Without wishing to sound boastful, we've always been a step ahead of most of our friends in that regard. I know couples who earn more than us but haven't got anything like the security we have. We've got £50k or so set aside and are adding to it whenever we can. Obviously I've got a good idea of what you need to do, but it's not as if I've got top secret insider knowledge or anything like that. It's more a case of being sensible and investing wisely. Nothing complicated: cash ISAs, equities, decent pensions, topping up as regularly as possible. It's not rocket science when you're on decent wages.

Group G: Consolidating Assets

Type G22: Single Accumulators

Single Accumulators are aged in, or close to, their 40s and are generally living alone. They have a good income from a professional job and have accrued some savings. They live in good-quality homes to suit their lifestyle - sometimes flats, sometimes houses - and have a portion of the mortgage still to pay.

Summary

These people are generally singles heading towards middle age who have accrued a significant amount of wealth behind them in the form of their property.

They are usually professionals earning respectable salaries living in large, expensive houses you might consider to be beyond their reach. That said, the outstanding mortgages are seldom excessive. Some may not always have been single and these could be properties bought when they were married.

The use of credit is not excessive, with a low propensity to use loans, and most have money left in their current account at the end of the month. While a couple of credit cards can be found in their wallet, it is unlikely that the balances are significant.

Much of their wealth is in bricks and mortar. They are not particularly sophisticated investors - they typically use the internet to do their research or discuss things with friends around the dinner table.

With a decent level of savings and most with company pensions - some being final salary schemes - they have little to worry about with regard their financial security.

Personal Account

I'm Will, and I'm 38. I live on the ground floor of a large Victorian house in West London. I bought this place about six years ago. I fell in love with the Minton tiles, the coving and marble fireplaces. I'd been renting until then. When my father died I inherited about £200k, and that went a substantial way towards the cost.

I'm the head of geography at an inner-city comprehensive school. I studied geography at university, and my parents - who separated when I was about 12 - were both teachers. My father was a university lecturer; my mum retired recently as head of a primary school in Cambridgeshire. I didn't want to follow in their footsteps, and my first job was in advertising - I did a lot of multimedia stuff. I've always been creative - I put on productions at university and was heavily involved in DramSoc.

But I guess in the end being behind the camera and in the cuttings room wasn't theatrical enough for me. I needed an audience, so teaching it was. The advertising experience came in useful, though. My lessons have always been creative, and when you've got about a dozen different nationalities in the classroom, with many of them speaking very poor English, it's often the visual stuff that gets through most effectively. I got promotion very early to head of department and am now on the school's senior management team.

I am ambitious and ultimately I'd like to be a head. I'm not sure whether I'm single because I'm so career-focused or career-focused because I'm single.

I don't really worry too much about money. Dad's inheritance has been a big help. I'll have a reasonable pension when I retire. I have a standing order to put away money each month into a cash savings account, and I move some of that into ISAs each year when I get the chance - usually during the Christmas holidays. That's the one time I stop and just look at where I stand. I read the Guardian on a Saturday and will sometimes look at the money section for ideas - they're the ones that flagged up the NS&I index-linked certificates, which have been good.

I could save more - but what for? You've got to live for the now. My job's stressful, so in the summer holidays I like to go on a long-haul trip for three weeks, which can cost me a few thousand. I have annual travel insurance for that. And I like to go to the theatre and for meals with friends at the weekends. I think I get the balance right.

Group G: Consolidating Assets

Type G23: Mid-range Gains

Mid-range Gains are married couples in their 40s or early 50s. Their children are teenagers or have left home to make their own way, studying or working. With one above-average full-time income and an additional part-time salary, finances are comfortable. Their homes were bought at a time when prices were more affordable, and they have benefited from house price rises. Mortgages and savings are modest.

Summary

When they look at prices today, these couples heave a sigh of relief that they bought at a time when housing was less expensive. Their semis and detached homes might be seen as "mid-range", but the only way they could afford them if they were starting out now would be through both partners working full-time.

Mid-range Gains are reasonably well-qualified, and it is likely one partner will have a skilled job that pays a good salary. The other could well have a part-time administrative or secretarial job. Between them they generate more income than most.

Although their mortgages are modest, there is a high likelihood the terms will have changed or been renegotiated so expect them to shop around for the best deal.

These people have a conservative approach to using credit and while they may have financed the purchase of a car with a personal loan, their use of loans, overdraft facilities and credit cards is low.

With growing teenage children they are more likely than most to have children's savings accounts of different kinds, potentially to help their children complete their education. In total, however, their personal savings and investments are quite modest.

Mid-range Gains have company or personal pensions, but around one in three are still unsure how their pension plans will pan out. They are likely to have critical illness insurance and life insurance for security for their family should the worst happen.

Expect them to take out fully comprehensive motor insurance, but don't expect them to stay with the same provider unless they are getting a good deal.

Personal Account

I'm Karen, and I'm 48. I'm married to Nigel, who's 47. We've lived in the same house for almost 20 years. It's a beautiful 1930s semi, a real red brick-and-bay-windows sort of affair, with one of those gardens that just stretches forever. The only thing it backs on to is a little orchard at the bottom of a garden on the next street. It's from an era when everyone had a big lawn and plenty of room for a vegetable patch; we've still got the lawn, but the vegetables have long since made way for a pond full of koi carp.

I work part-time as a legal secretary, earning just over £12k a year. I have a law degree, but just before I left university I realised I didn't want to be a lawyer! It's only in the past five years that what I learnt has finally come in useful. I was a secretary when I first met Nigel and stayed at home when our oldest was born. I've brought up three children: Mark, who's 23, Catherine, who's 22, and Anthony - the late arrival, as we like to call him - who's 17.

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Mark and Catherine left home to go to university and have jobs and their own places now, and Anthony's getting ready for uni himself.

Nigel works as an IT consultant and earns nearly £40k, so between us we're bringing in over £50k. But you've got to remember we've raised three children and put two of them through university, with another to come. We've managed to put aside about £40k for ourselves, which isn't too bad when you consider we spent years paying into trust funds for the kids as well. So on the whole we're not flush by a lot of people's standards. Comfortable, yes - but definitely not rich.

The best thing we ever did was buy this house when we did. Back then our income was probably half what it is now, or maybe just a little more than that. It seemed like a lot at the time, but now it feels like a bargain. Obviously we've had to tweak the mortgage now and again since then, but it's always stayed manageable. If anyone could come up with an equivalent situation now - a house as lovely as ours, a deal like we got - I'd be absolutely astonished. We can thank Nigel's parents for that: they encouraged us to do it when we did and helped us out on the money front for good measure.

We still ask them for advice even now. Nigel's father was a successful businessman and knows what he's talking about when it comes to financial matters. But we also do a lot of research on the internet - as you'd expect, given that Nigel's technology-mad. I'm not saying we've got anything to worry about, but we can't be sure exactly how everything will work out. It's important to keep pace with how you might be affected by any changes - especially how you might benefit from them.

Financial Strategy Segments 2011

Group G: Consolidating Assets

Type G24: Extended Outlay

Extended Outlay are couples in their late 40s and early 50s, living with adult children who are studying or in their first jobs. Their salaries are above average but not particularly high, so the extra demand on finances has hit their savings ability. There is still some mortgage left to pay off on their homes, which have increased considerably in value since they were bought.

Summary

Extended Outlay earnings are above the national average but have adult children living at home to support, so often don't have high amounts of disposable income.

One partner is working full-time in a professional-Type job, the other part-time, and the children are either students or have recently finished studying and are relying on their parents to support them while they start their chosen careers.

On average these couples are aged around 50. They typically will have bought a detached or semi-detached house many years ago and are working well towards paying off the mortgage. The typical outstanding mortgage value is a little above the national average, and they may have borrowed additional amounts on their mortgage over the years to fund their children's education.

With a sensible approach to the use of short term credit, Extended Outlay use credit cards often more for convenience than borrowing, usually paying the bill in full each month. Loans have only been taken when they are confident of being able to repay them without getting into financial strife.

Use of instant access and cash ISAs are the most common savings vehicles although balances are not as high as they would like due to the ongoing costs of bringing up children. Their financial future is based on a sound foundation; many have been contributing into a company pension for a reasonable period of time.

Extended Outlay like to actively compare prices of things like insurance premiums on the internet and are happy to switch if it is worth their while. The bigger decisions around pensions and investments for the future will typically be made using expert advice from an adviser, although they will also discuss things with their grown-up children.

Personal Account

I'm Bharat, and I'm 52. I'm married to Jayshree, who's 44, and we have two sons, aged 25 and 22, and an 18-year-old daughter, all of whom live at home. Both the boys have been to university, and my daughter has recently started.

We've lived in the same detached house for 21 years, and we're now just four years short of paying off the mortgage. It's in a nice area, and I think the house is worth something like £225k.

I'm in charge of the payroll for a medium-sized accountancy firm, which pays me £30k a year. I've been working in this field a long time, although I've only been with this company just over five years. I don't have any relevant qualifications, but I did a one-year course in electronics at college when I left school.

Jayshree is a lunchtime supervisor at a local primary school, so she only works a couple of hours a day. She'd like to get something with longer hours and is actively looking. As she can walk to work, we're able to share a car, which we always insure fully comp. My eldest son helps me look at insurance on the internet, which has saved us some money. We spent years paying out too much on buildings and contents insurance from our mortgage provider; you've got to use the internet to compare quotes.

I've been with HSBC for quite a few years, and I like to use internet banking. We've both got credit cards, but when we buy anything we know we're going to pay it off when the bill comes each month. We really just use them for convenience - we've never had any debt issues. Both my sons have student loans, though.

We have some money in an ISA, but we can't afford to go up to the maximum limit. We do try to save a few hundred pounds in there at least and top it up when we can.

I have a contributory company pension scheme with my present firm. A year or two ago I got some help from an adviser - he comes to our office once a month - to get all my previous pensions together into one place so at least I have made a start.

My children have been very good in helping to pay their way. The eldest two buy all their own clothes now. When my eldest was about 14 he started wanting designer gear, but I told him I didn't earn that kind of money and couldn't afford it. To be fair to him, he went out and got a paper round and saved up for the things he wanted. He's done that ever since. That's one expense we don't have to worry about.

Financial Strategy Segments 2011

Group H: Balancing Budgets

Type H25: Modest Mortgages

Modest Mortgages are couples in late 40s and early 50s, often with adult children still at home. They have done well with average salaries to pay off a good proportion of the mortgages on their modest semis, which they bought some time ago. Their jobs tend to be office-based or skilled trades. Not much income is left over for savings, which are quite low.

Summary

Modest Mortgages have behaved prudently and responsibly. They have had to work hard for what they have, and the result is that as the kids fly the nest they know they will be well-positioned to make the most of their combined incomes before retirement looms. Never life's pacesetters, nor are they stragglers. These families have always been middle-of-the-road, which is how they like it.

Modest Mortgages left school in an age when fewer people went to university. Though they might not have achieved the grades to go on to a degree, they demonstrated the ability to forge decent careers. In many of these households one person works full-time and another part-time. They are often skilled tradesmen and office workers, earning average salaries.

Many of these households also contain an adult son or daughter studying or working to pay off student loans and to save the money for their own place.

Home is a semi bought many years ago, when the kids were much younger, which may have been extended as the family grew up. At the time it represented a strain on finances, but now the mortgage is coming down and there is little doubt it will be paid off come retirement.

Home improvements could well have been paid for using a secured loan, but these people are careful about credit and will have ensured repayments are maintained. Broadly speaking, overdrafts, unsecured loans and credit cards are not widely used by these couples.

Savings are not high but as time goes by these couples will be looking to build a nice little nest egg. Helping the children through university, not to mention continuing to support them, has taken its toll on their ability to put money away. To date what they have saved will be in cash savings accounts and NS&I products. Equities may feel too risky - any shares are likely to be of the windfall variety from the demutualisation era.

Some will have company pensions that will not be big - but being used to managing on a budget, Modest Mortgages have a comfortable future ahead of them.

Personal Account

I'm Philip, and I'm 50. My wife, Beverley, is 47. I'm an upholstery frame maker and designer. I work for a specialist sofa manufacturer in Derbyshire. It's a family business, and I've been here all my working life. I wasn't very academic at school, but I was always into technical drawing and woodwork. I got good enough grades at O-level to stay on and do A-levels and then got the job here through my uncle, who knew the boss. I've worked my way up from the factory floor to the design office, though I still help out on the frames when we're busy.

It's been a good job. The firm's grown over the years and exports quite a bit in Europe, and I've been lucky enough to go to trade fairs to talk about what we do. We don't make the cheap chipboard-framed stuff that comes out of Eastern Europe and China, which you get at a lot of the big retailers. We only use birch or beech hardwood, and everything is constructed the old-fashioned way.

Beverley's a part-time school secretary. She's done the job ever since the boys started comprehensive school - it's just three short days a week. Our boys, Graham and Liam, are 26 and 22. Graham married last year and lives in Northampton. Liam's still at home - he's just done a degree in games computing and is looking for work. It's an extra mouth to feed, but we don't mind. It's nice to have him around again.

We live in a nice semi, which we bought 15 years ago. We were renting privately at the time. It was a stretch, but it's been the best thing we ever did. Most of the houses around here have got lovely big gardens which meant we could put in a double storey extension 10 years ago. We have an allotment nearby as well. Beverley does the flowers, I do the veg. We've probably got about 10 years left on the mortgage, so it'll be paid off before we retire.

We've both got small pensions. I don't know what they'll be worth when we retire, but we should manage with the State Pension on top. We don't have much in the bank. We spent most of what we'd saved helping Graham and Sally out with their wedding. Her mum couldn't afford to help, and they needed all they'd got for the deposit on their flat. We've supported the boys through university as well - they've both got student loans, but we managed to help them with a bit each month towards living costs.

Group H: Balancing Budgets

Type H26: Overworked Resources

Aged between 35 and 55, Overworked Resources have overstretched themselves with financial commitments. Many have children, some of them adult. With incomes around the national average, they have tended to take out quite large loans and other credit and are now struggling to meet their commitments. They also still have mortgage payments to make on their terraced or semi-detached homes. Most work full-time to try to make inroads into clearing their debts.

Summary

Overworked Resources may earn slightly above average in both personal and household terms, but their credit and debt commitments are such that they still struggle to keep up with payments.

In their late 30s to early 50s, they are often quite well-educated and hold down reasonable jobs. They are likely to live in semi-detached or terraced properties. Many have adult or younger children who still live with them, and this can also stretch them financially.

Overworked Resources' mortgage commitments are still considerable, and they may have had to renegotiate the terms to interest-only, or take a mortgage break to give themselves some breathing space.

It seems that their attitude towards credit has been to take what is on offer and there is a chance that they would have been actively pursued over their debt at some point. Debts will have been in the form of personal loans and credit cards, with some of the highest outstanding loan balances. It is possible they will have problems meeting the criteria for high street banks so may have turned to home collected credit as a means to get extra money.

Savings are often very low, as might be expected, and any pension provision they have comes through work. These families cannot afford to pay for pensions themselves.

They will use the internet to help search out the best deals and are unlikely to want advice from experts, preferring to make their own decisions.

Personal Account

I'm Maxine, and I'm 40. Glen, my partner, is 38. We have three children, aged 16, 12 and 10 - all boys. We've got a three-bedroom semi that we bought a few years back. It's not council, but it backs on to the council estate. We're paying over £400 a month on the mortgage on that. We've also got Glen's car loan, which is costing us £310 a month, and another loan that's £300 a month.

I'm a receptionist at the council; Glen fits double-glazing. Between us we bring home just over £2k a month, but it doesn't leave us with much with all the outgoings. Our 12-year-old does a lot of swimming and trains four mornings a week before school. He has competitions at the weekends all over the place as well, so that's a lot of petrol money. He eats like a horse - they all do.

Money is a constant struggle for us - I won't pretend it isn't. There's always something. The youngest just came home from school with a letter telling us he's going away on a residential next term and they want £60 just for the deposit. I don't know where they think we're going to find that.

A few years ago we ran up about £23k in debt, mostly on credit cards and loans. It was so bad that we very nearly decided to go bankrupt. In the end we've negotiated to repay the debts, and the banks have agreed to freeze the interest. It's better than nothing for them, I suppose - at least they'll get something back. But it's going to take another four-and-a-half years to pay off. I still get mad every time I think about it, but I have to try not to - otherwise we just end up rowing.

Obviously we don't have any savings. I can't even afford to save for the kids. I have a pension from work, which means we won't starve when we retire. Glen doesn't have anything - his employer's so tight that he doesn't even give him sick leave.

Financial Strategy Segments 2011

Group H: Balancing Budgets

Type H27: Self-reliant Realists

Self-reliant Realists are singles typically in their late 30s or 40s; a number of them are single parents. With one income just above the average, they have made respectable progress in their jobs. Most have repayment mortgages on semis or terraces of near-average value. They avoid using credit and have managed small savings, and those with dependants try to have critical illness and life cover.

Summary

Self-reliant Realists are single homeowners in their late 30s and 40s, often managing the tricky balance of working full-time and raising children alone. They live in modest but pleasant semi-detached or terraced houses, often the legacy of a previous marriage or relationship.

Self-reliant Realists earn a little more than many, but an unexceptional salary might not go far when a mortgage has to be repaid each month and food and children's clothes have to be bought too. The mortgage is usually a repayment Type and not too high in value, although it can represent a significant proportion of the monthly outgoings.

Being computer literate and with an eye for a bargain, they often use the internet to search for financial products, with car, home and life insurance all needing to pass the value test. Expect a good proportion of these customers to come via price comparison sites, and don't expect them to stick around too long past renewal date if your premiums are considered too high.

These people are good at managing a budget and are sensible in their use of credit. Any credit cards will be used sensibly; overdrafts are rarely used and neither are loans.

Savings are in the form of instant access accounts, typically with recognised High Street institutions, but they are likely to be for short term projects or purchases rather than as an investment for the future.

Pensions are unlikely to have been high on the agenda, although with many working in the public sector it is likely some provisions have been made via their employer.

Personal Account

I'm Yvette, and I'm 38. I'm a sales person in the construction industry. That means I spend all day on the phone, chatting up builders. I earn £14k a year in basic salary, but I double that each year in commission.

I'm divorced and have two daughters, aged nine and 12. We live in a little three-bedroom semi that my husband and I bought four years ago. It was our second home. When I met him he had an ex-council house that he'd nearly finished buying, but the area started going downhill a bit. The schools are better here. The house is worth about £160k, and we've got a mortgage of £27k on it.

He left a year ago and doesn't pay anything towards the girls' upkeep. I guess at some point he'll want half the house, but then he'd have to start paying maintenance for them. We haven't sorted it out yet.

When he left I didn't really notice much difference with the money. I'd just had a pay rise. I don't have any problems managing each month.

I have loads of bank accounts. I have different savings accounts for different purposes. I've got one for car repairs, another for car insurance and tax, one for decorating, one for holidays, one for Christmas and a main savings account as well. I think that's all.

I find it easier to manage my money like that. That way, if something big and unexpected comes along I can take a bit from each of them without wiping any out altogether. I also have an account each for the children and probably save something every other month for them, though I can't afford to do it every month. I put some of their birthday and Christmas money in there, too. They're richer than I am. I reckon they've got about £6k each. That's to put towards university or buying their own house. They can't spend it on a car or anything like that. My accounts are all with High Street banks and building societies - I look out for the offers in the windows.

I don't have a lot to spare, but I manage. I buy Christmas presents in the sales in January and stash them under the bed. I have a list of who I have to buy presents for and how much I have to spend, and I won't deviate from that. I change my car and home insurance most years.

I don't have any debts. I've never had them. I don't believe in credit unless it's for a medical emergency or something you need to be able to work, like a car.

I have a company pension, but it's based on my basic salary. So I'm missing out at the moment. I can't really afford to do anything about it, though, until the girls have left home.

Group H: Balancing Budgets

Type H28: Canny Owners

Canny Owners are aged between 35 and 55. These people are either singles or live with other household members. Their incomes are below average, but they have the security of owning their own home - perhaps a small terrace they bought some time ago - and now have relatively little still to pay off. There is some use of credit, which is mostly manageable, but savings are very low.

Summary

In their 40s and mostly educated to A-level standard, these families have worked hard to get where they are now. They might not be worried about a mid-life crisis, but they would be concerned about an economic one.

Canny Owners have achieved homeowner status by buying former council houses or older terraces some time ago. Some people would call these properties low value; these people consider them good value.

Canny Owners often rely on one person's full-time income, and the breadwinner is frequently a semi-skilled or skilled manual worker on a modest salary. The mortgage payments may be relatively low, but they are significant relative to income.

These families manage through careful budgeting and disciplined spending. They might sometimes fall behind on bills and loan repayments, but on the whole they avoid running up big debts. Though it can be a struggle, most of the time they manage to balance the household budget. Some might consider using a credit union to help them stay on top of their commitments.

It is often hard to save, and if they do it will be for a specific purpose - Christmas or holidays, for example. Pension planning is typically something they can hope to address only when their children have left home.

Many will buy their home and contents insurance through their building society or mortgage lender. Whilst the security of mortgage protection or income protection insurance would be nice, it is likely to be too expensive for these people and unlikely to be taken up.

Personal Account

I'm Julie, and I'm 39. I have four children, aged 20, 17, 10 and 3. My eldest son has a disability, so I'm a carer for him. I get just shy of £200 a week in various benefits. My partner, Kevin, is an HGV driver and earns £21k a year.

We have a ridiculously tiny three-bedroom house. We've built an extension with a bedroom downstairs for my disabled son. Kevin and I have a tiny bedroom. We owe £49k on the mortgage; it was originally £38k, but we increased it a few years ago to pay for the extension. It feels a struggle sometimes, but the house is worth about £140k. It's better than renting, and it feels like an achievement to have managed this far.

I actually did okay at school. I got seven O-levels and was doing three A-levels - geography, English and history. My stepdad was made redundant in the late '80s, and we had no money. When I was working for my A-levels all my friends had jobs and lots of money, and I felt left out. So I left school and got a job as an accounts clerk. You make bad decisions when you're young. You should be able to do your education when you're 30 and have some sense.

Money's tight. Each month I have to rob Peter to pay Paul. Every year I look forward to February and March, when we don't have to pay council tax. My son goes to college three days a week, so the only way I can get work is if it's in those hours.

I'm still the person who has the least money out of all my group of friends. Because of Kevin's wage, we don't get income support, so I have to pay for the dentist and everything. They don't take into account the number of children you have to feed and clothe when they set these benefits.

Our last holiday was two years ago. We went to Portugal for my son's 18th birthday. We put it on the credit card - £1,400. I'm actually ashamed of that. A holiday is the last thing you should put on the credit card, because it lasts a week and takes two years to pay off. But I needed to do something special for him.

I save £50 a month into an ISA, just for Christmas presents. And I put £10 a month into savings accounts for the youngest children. I used to put a few pounds a month into a savings account for the older kids, and when they were 16 one got £1,900 and the other £1,700.

We manage most months, but there isn't much spare. What worries me most is what might happen if Kevin lost his job. I'm not sure how we'd pay the mortgage and bills then.

Group H: Balancing Budgets

Type H29: Squeezed Families

These couples often live with their teenage and adult children. Typically working in manual jobs or perhaps as shop workers, they own low-value terraces and still have some way to go with mortgage payments. Squeezed Families tend to use loans, usually for home improvement, and some struggle with their credit commitments. Their savings are very low.

Summary

Squeezed Families have worked hard to be able to get a mortgage on their compact terraced properties. While there are two incomes coming into the house, they are below the national average; finances are often stretched with teenage or even adult children still at home.

Most would say they live within their means and manage to stay on top of the bills, although a fair number will have been pursued over their debts, possibly if one of them was made redundant. It is not uncommon for consolidation loans to be taken out to help them manage their budget more easily.

Use of credit cards is unexceptional, possibly as they have a marginal credit risk profile so may not have been accepted for new card applications.

At the moment the financial future is a little uncertain. With low pension provisions and few opportunities to save, there is a high reliance on both incomes. With redundancy a real concern, payment and mortgage protection insurance is sometimes taken.

A family car and possibly one other vehicle are the main mode of transport, and are more likely to be insured fully comprehensive than third party. Expect their insurance, including home and contents, to be taken out directly with the insurer.

Most banking interactions are undertaken online, where they will also look for budgeting and money saving ideas from specialist consumer websites.

Personal Account

I'm Dawn, and I'm 41. I live with Garry, who's 40, and my three kids - 14-year-old twin boys and a 16-year-old daughter. We bought our council house three years ago - we got it at a discount and paid much less than it's worth now. I really like it here and can't see myself ever moving. My neighbour puts my bin out every week, and we all look out for each other.

I'm a full-time teaching assistant; Garry's a gas engineer. I get about £13k a year, and he gets just over £26k. I used to be a care assistant, but this job suited me better when the kids were younger. I work school hours, which meant I didn't have to pay for childcare - otherwise it wouldn't have been worth my while. I had to go to college to qualify, and when they asked me why I was changing career I joked it was easier to wipe small bottoms.

Twelve years ago I got into a real mess and went bankrupt with debts of over £17k. Now I don't have any loans and don't have a credit card, because it's too tempting. I have a Next card, because that means I can get clothes for the kids and spread the payments over a couple of months if need to, but I never spend much and always go to Next Clearance.

I don't like owing money. I wouldn't want to go back to that again. I'm all right with the mortgage, though - that just feels like paying rent.

I have two current accounts - one for bills, my salary and child benefit and one for online bingo. I don't smoke or go out, so that's my pocket money treat to myself. You need an account to do it, and having a separate one stops me overspending. I have an £80 overdraft facility. I might go overdrawn by about £30 each month, but it's only for a couple of days. The bank keep trying to persuade me to have their "Silver" account, but it's not worth it. I used to have payment protection on my credit card, but it was a waste of money. I'm more careful about that sort of thing now.

I haven't got round to savings yet, though we do have a savings account - there's a pound in there at the moment! One day soon!

I've got a work pension - they take a shed-load off me. I know they're contributing as well and that it's a good thing, but sometimes I look at my wage slip and wonder if it was worth all that hard work.

I have a health issue, so I can't get life insurance. We sort the house and car insurance on Moneysupermarket.com each year to get the best deal.

I rely on two Martins for money advice: my brother and Martin Lewis at the MoneySavingExpert website.

Group I: Stretched Finances

Type I30: Pooled Kitty

Pooled Kitty are very low-income families with school-age children and often with older kids still at home as well. They live in some of the lowest-value council homes. Family members pool income and benefits to get by. There is a high risk of unemployment, and many depend on benefits. Often relying on credit to make ends meet, many will use home collected credit. With unstable income, repayments can become a problem.

Summary

These low-income families have some of the highest rates of unemployment. Many household members rely on income benefit. Jobs, when they can find them, are low-paid, basic and possibly temporary.

There is a wide range of reasons why these people cannot work. Many will be housewives looking after children or relatives; others may be on incapacity benefits. They will have left school at the earliest opportunity and do not have the skills or qualifications to find stable, well-paid work.

Pooled Kitty are often living in generally deprived areas and many have lived in the same house for some time, which is rented from the council. Their homes are some of the lowest value houses in the country and the household will probably be quite crowded.

It is likely that older children still live at home and that they are in work or perhaps at college, gaining some skills. This is a financial advantage to both the adult children, who would struggle to find the money necessary to pay separate rent, and also for the rest of the family, as any income from work or benefits can contribute to keeping the household finances afloat.

Pooled Kitty have few relationships with mainstream providers and they have the highest number of people without a current account. Those who do have one are often not allowed a facility to go overdrawn.

Many need to rely on credit to make ends meet. As few have credit cards they tend to use alternative options for borrowing such as home collected credit. However, with incomes unstable, they can often find themselves having difficulty meeting the repayments.

Mail order catalogues are a popular alternative way of spreading payments for many.

Despite their challenging circumstances these households are trying hard to make ends meet and improve their outlook, and support from within the household can help individuals through tough times.

Personal Account

I'm Terri, and I'm 43. I live with Dean, my partner, who's 42. We've got two girls - one's five, the other's seven. I've also got two children from an earlier marriage - Stuart, who's 19, and Phil, who's 17 - who both still live with us. The seventh member of the family is Buster, our Staffordshire bull terrier. We're all crammed in a council semi on an estate on the edge of Leicester. It's a bit of a squeeze, especially when the boys bring their girlfriends round.

Dean and I both left school when we were 16. We've got three O-levels between us. I got maths and geography. My dad says that's why I'm so suited to working on the tills at the supermarket - I know how to add up and can find my way there in the first place. Dean passed woodwork, but I think he was given someone else's grade - believe me, I've seen him trying to put shelves up. He's got a recurring back problem and has been on incapacity for the last four years, so what I bring home - which isn't much - is the main wage in our house.

Stuart has struggled for a job ever since he left school. He wants to be a mechanic, but he hasn't got the qualifications. At the moment he's got some part-time work at a garage, just helping out and getting a bit of on-the-job training while he's at it. I make him pay a bit of rent, which he doesn't like, but I say if he expects me to carry on feeding him he's got to pay his share.

Phil - well, Phil needs a kick up the backside, to be honest with you. He seems to think you can pick and choose your jobs. The number of times we've told him to apply for something and he's said it's not good enough for him… He says his mates will laugh at him if he ends up working in McDonald's or somewhere, but his mates haven't got anything to laugh about - most of them are on the dole. It looks like he might be able to start part-time as a shelf-stacker at the supermarket. I put in a word for him, but you'd think I'd got him a job cleaning toilets. He needs to get real.

When I was bringing the boys up we relied on loans and credit. We've eased up a bit since, but we're still paying off about £5k. The Citizens Advice Bureau helped us start to get things straight after we had some debt-collection agencies round. If we have to these days we'll use some credit from the doorstep guy who does the rounds here, but we try to avoid that if we can. If we all pull together and everyone chips in we can get by.

We don't have a car, but Stuart's boss reckons he can find us a runner for a couple of hundred quid, so we might manage that. It's not what you know but who you know. People who've been in the same boat will see you all right if they can, especially if you help them in return - and that goes for friends as well as family.

Financial Strategy Segments 2011

Group I: Stretched Finances

Type I31: High Demands

These families are striving to lift themselves out of financial difficulties. In their late 30s and 40s, they and their younger children live in small council-rented houses - often with an adult child still at home as well. Individual incomes are low, and some family members will not be working. Demands often outweigh resources.

Summary

High Demands are families trying to balance household income and expenditure each month and finding it hard. The drag of long-standing debts adds to the burden.

In their late 30s and 40s, one partner in the household is likely to have a full-time job, but the chances are it will be quite low-paid manual work. The other partner is likely to be looking after the children. Both adults will have left school early with few qualifications.

Most live in small rented council accommodation or housing association properties of very low value. They often have adult children staying with them, perhaps because they can't afford a place of their own.

With large families to support, low individual incomes and possibly only one household member in work, they will often find that monthly outgoings are exceeding their resources. They have the highest incidence of debt problems and they are most likely to find themselves in financial difficulties.

Many will seek professional debt advice when their situation reaches a low point. Many more will struggle on alone, doing their best to cover as many payments as they can each month.

A poor credit history can mean if they need a loan they have to rely on home-collection agencies and may have been persuaded to take out payment protection insurance.

High Demands are unlikely to have either savings or pensions. They are likely to use mail order catalogues for purchases to enable payments to be spread.

Personal Account

I'm Sharon, and I'm 39. My partner, Reece, is 38. I have six kids: a 10-year-old from when I was married and then five kids with Reece - they're five, three and two, and the twins are 11 months. Before the twins arrived I had three boys and one girl and said to Reece I'd like another girl. Some people are horrified at the thought of having two at the same time, but when they were born and they were both girls it was the best day of my life.

Reece's a car mechanic and earns £24k a year. He also has four kids from when he was married, and he has to pay maintenance for them. So the money doesn't go very far.

We live in a three-bedroom council house. We have five in one room, the oldest on his own and me and Reece in the smallest room - it's just big enough to get a double bed in. We only manage because the babies share a cot. I don't want to move, though - I like it where I am. My friends are close, and the area's nice. When the kids get older Reece and I will just have to move downstairs and sleep on the sofa bed.

I didn't get any qualifications at school. I just rushed the exams to get out of there as quickly as I could. My first job was as a machinist, and I got an NVQ in that. Obviously I can't work now - not with the kids to look after. I get about £300 a week in benefits. Because of Reece's wages, we don't get income support - which means we have to pay for everything.

I've never been too good with money. From the moment I could get credit I've borrowed whatever I could. I ended up with an IVA about 5 years ago, owing about £10k; it means I haven't paid everything back but I've got a clean slate. It means I don't have a bank account or credit cards. I've still got a doorstep loan. If someone offers me money I don't think about how I'll pay it back - I just think what I'll be able to get the kids.

It all goes on the kids. It means I can give them whatever they want. I like it. I like to see their faces when I buy them things. When I was a kid my mum didn't have a lot so we didn't get much come birthdays or Christmas, I don't want that for my kids.

We don't go on holidays. Last year I took the kids to Blackpool for the day on the train. Reece had to work, so I had to go on my own. The two-year-old pulled the emergency alarm. The train was delayed for half an hour - and we were only 10 minutes out of Blackpool.

Financial Strategy Segments 2011

Group I: Stretched Finances

Type I32: Value Hunters

Value Hunters are couples or singles, many with kids, who are in their late 30s and 40s and have very low household incomes. Single parents may be unable to work because of childcare; others are in low-skilled jobs and don't have job security. However, the majority are just about managing to make ends meet through careful budgeting.

Summary

These households have some of the lowest incomes in the country and could not manage without benefits. There is a high chance no one in the home will be in work, or that those who are will be in low-skill, low-paid jobs.

Many of these people are single parents struggling to fit work around childcare responsibilities. They want to find reliable jobs that also allow them to look after their children. Others are couples who are sharing the responsibilities.

They are likely to rent their homes, which are usually council or housing association semis where they have lived for between five and 10 years.

Although some may have had debt problems in the past, they have managed to restore some balance to their finances. They have current accounts and sometimes go overdrawn, but on the whole they manage to keep pace with their bills - even if it is often a struggle.

Some have credit cards but they try to ensure that any spending on these is restrained - once large bills build up it can take a long time to pay them off again. Mail order is an alternative way of ensuring purchases can be made when they are needed but paid off over a period of time.

They expect to have to rely on the state for their pensions, and their use of insurance products might be largely confined to payment protection, to reduce the stress of worrying about repayments. They see little merit in financial advice, believing they simply do not have enough money to make it worthwhile.

Personal Account

I'm Debbie, and I'm 45. I live with my daughter, who's 10. Her father left when she was two. We've got a very modern terrace that's really small and cheaply made - my daughter says it's built of Lego - but in the end it does fine for us, even if I'd like to be in a better part of town. She always comes first. I've brought her up on my own since her dad left, and whenever I can I've tried to do it while still bringing home a wage.

It hasn't been easy. I've been working part-time since she started school. Finding a job has been quite hard sometimes, but it's keeping it that's the really hard part. A lot of places need you to be flexible, to do an extra hour now and then or maybe switch shifts, but I can't do that. And they don't like it if you have to take time off when she's sick.

It's rough around here - you can't have a little girl walking home on her own, certainly not when it's dark in the winter - so I need to be at the school gates at 3.30 on the dot. She says it's embarrassing that I still wait for her, but I'm not taking any chances.

For the past couple of years I've been doing a few hours a day in the kitchen at a pub on the estate. It's 10.30 till 3.00, which suits me down to the ground, and they let me go early sometimes. It's probably about as secure as I've ever felt in a job. They've offered me bar work in the evenings, which makes me feel wanted - although obviously I can't do it. It pays a few quid a week, and I top it up with benefits. Some of my friends say I should ditch the job and claim more, but I don't believe in scrounging if you don't have to.

That's not to say I'm not struggling. It was particularly bad after my daughter's dad walked out. I'm still paying off the debt from his car, for instance, so now I try to keep things under control as much as I can.

One of my neighbours has a guy come round every week to collect on a loan, and a while back he tried to talk me into a similar deal. The interest rates were mad; besides, I don't need the stress. If I want to buy something I'll use the catalogue and spread the payments over 20 weeks. I'm really careful with my credit card, and I've got payment protection insurance as well, but I'm going to cancel it. I'm not sure why they persuaded me I needed it.

I know I'll be on the State Pension when I retire. I'm going to look for a full-time job when my daughter's a bit older, but I'm never going to have much in the way of savings. My mum says I should get some advice, but what's the point? I haven't got anything to advise on.

Group I: Stretched Finances

Type I33: Low Cost Living

Low Cost Living are singles aged between 35 and 55, mostly living alone or with their kids in council flats and terraces. Incomes are low sometimes through ill health, and there is very little left over after paying the bills. These people are most likely to use credit union facilities. Catalogues help by spreading payments.

Summary

Low Cost Living are householders aged 35 to 55 with incomes that are among the lowest in the country. They live in generally deprived areas where opportunities can be harder to find.

Household members are poorly qualified and likely to struggle to find work. Many will have childcare commitments that reduce their options, and as single parents they have to self-sufficient in looking after the children. For those able to work, jobs will be low-skilled and low-paid.

Usually single or sharing, they live in flats or terraces, which some have moved into relatively recently, rented from the council or private landlords. The family car, if there is one, will be basic and ageing.

Because of their low incomes and the fact that there is little left over after expenses, any debt can become a burden to repay. Many struggle on, making ends meet, but a number do get into difficulties.

Low Cost Living have the highest use of credit union facilities, illustrating a desire to keep their finances on track. They are also the biggest users of mail order accounts which enable them to spread payments.

Most have current accounts but very little in the way of savings, let alone pensions or investments. They are reluctant to seek financial advice, preferring to rely on common sense - and influenced by the fact they have little money in the first place.

Personal Account

I'm Lorraine, and I'm 56. I'm a cleaner. I have a three-bedroom council house that I've lived in for 16 years. I was the eldest of nine kids - I had six brothers and two sisters. My dad was what I call a "layabout", so I didn't go to school much. My mum kept me at home whenever she was in hospital having any of the kids and always needed me to help. My dad was just out boozing. He never had a job. So I left school at 16 without any qualifications.

I've got a 22-year-old daughter who lives about 10 minutes away. She has a four-year-old boy and a 12-month-old baby girl. My son is half an hour away and has a little girl.

I'm self-employed - I do cleaning and ironing - but I only do about 16 hours a week. It's hard finding people who need a cleaner. It's not like I don't try - I've put out 3,000 leaflets in the past three months. I don't earn enough to pay tax. By the time I've paid for my business insurance and materials I have about £60 a week. I'm on housing benefit, which covers the rent and council tax, but everything else has to come out of that £60.

I have a Y-reg Ford Focus that my son looks after for me - I need that to get to work. Money's tight. I go round to my daughter's a couple of days a week, and eat with her and the kids. I look after her son for her sometimes, so she pays for my television licence so he has something to watch.

I don't have the heating on in the house when I'm on my own. If it gets too cold I go round to the couple next-door. She's 78 and disabled. She laughs at me and says, "have you come to warm up?" I stand and do their ironing for them until I'm warm, so they get a good deal out of it in the end.

I have a credit card and owe about £200 on it. I had £200 from a doorstep guy years ago, but I had to pay a lot more back - and that was hard. If you can't afford to pay it back what's the point of doing it anyway? When the bills come in I decide which is most urgent and pay that first. Sometimes I'll ring up and see if I can pay over a couple of months. Obviously I don't have any savings or pensions. I'm not sure how I'll cope when I get old. I'll manage the best way I can - like I do now.

Group J: Established Reserves

Type J34: Guaranteed Provision

Guaranteed Provision are couples in their late 50s and early 60s who have enjoyed respectable careers. They have shown sound financial management in paying off their mortgage on their pleasant detached homes and in creating a comfortable pension portfolio. Some are continuing to support adult children at home, and partners may have part-time work. The future is well set.

Summary

These couples are heading towards retirement feeling secure and comfortable. Long successful careers where they held positions of responsibility have helped them buy nice homes and build their savings. It is likely they have company pensions, very probably final salary, and that adds to the security.

Often one will work full-time and the other part-time. Many have professional roles; some have owned their own businesses. They have worked hard but are looking towards retirement now and planning for an easier future.

They tend to live in small towns, market towns or more rural areas. Some will still be supporting adult children at home, but this is not big a financial burden.

The family home is usually detached and of a good size. Most have paid off their mortgages, and the rest are nearly there and planning to be clear by the time they retire. Some may even have a second home.

Guaranteed Provision have a couple of credit cards, which they will pay off in full each month, and maybe a store card for the additional in-store discounts. They are unlikely to switch providers as they have no need for low rates. Loans will only be for big buys - perhaps a second or even third car - but in general there isn't a requirement for credit.

While they read the financial pages on a weekend there is a good chance they have a financial adviser who will have helped them to build a broad investment portfolio and arranged personal pensions or additional contributions. This long-term approach to saving has set them up for a comfortable future and they can be assured that their retirement will be well-funded.

With nearly half taking annual travel insurance, expect them to travel abroad several times a year, including winter breaks in warmer climates.

Personal Account

I'm Roderick, and I'm 58. My wife, Janis, is 57. We live with our daughter, Beth, who's 22, and we've got two other children - Andrew, who's 29, and Ashley, who's 30 - who left home a few years back.

I'm in senior management at a major office supplies firm, and Janis works part-time as a book-keeper. We've both got degrees - English for me, accounting and finance for Janis - and all the children have been to university as well. I was the first person in my family to go into higher education. Andrew and Ashley both work up in the Midlands now, and Beth recently started as a teacher at the local primary school.

Financial Strategy Segments 2011

We live in a 1970s four-bedroom detached house in a village a few miles from where I work. We've been here for over 20 years now, and it's worth about £270k. They've finally started building some new houses at the bottom of the garden after years of threatening to do it, but we wouldn't dream of moving. The garden's so long and full of trees that they'd have to build a skyscraper for it to make any difference to us now.

Looking back, I suppose it was quite a gamble when we first took out our mortgage. What's worked in our favour since then is that I've been lucky with my job - two decades at the same firm and plenty of promotions - and that we've always kept our feet on the ground. A couple of years ago we finally paid off the last of the mortgage, which was a good feeling. We've always taken our finances seriously - often at the cost of things like expensive holidays and new cars. I'm not saying we haven't treated ourselves along the way, but I sometimes think the younger generation underestimate how hard it was for us. They say we had it easy with free education, cheaper housing and final salary pension schemes, but we didn't spend anything like what they do on things like flat screen TVs and fancy phones.

When the kids were younger it was quite tough sometimes. Things like clothes were a lot more expensive then, but we didn't just get out the credit card. Generally speaking, we don't believe in debt. The last time we took out a loan was 10 years ago, when we bought Janis's car - it was a brand-new Golf, and it's still doing her proud. The bank has given us both an overdraft, but we've never needed it.

Our savings are in good shape. Not including pensions, we've got about £100k, which goes to show what you can do if you save regularly. Our adviser has steered us into cash ISAs and unit trusts; we've also got some premium bonds, as they're another way of getting tax-free interest. I like to read the money pages in the Telegraph, so when he comes round we have quite a good chat about investment ideas.

We've not had it easy, but we've been lucky as well. I'm grateful we've got this far safely. We've reached a sense of security in our lives.

Group J: Established Reserves

Type J35: Steady Savers

Steady Savers are prudent couples in their late 50s or early 60s who have made the most of what they have to give themselves nice homes and financial stability. They have worked hard, spent modestly, saved and managed to get themselves to the point where they can retire securely. They favour simple savings vehicles such as instant access or regular saver accounts.

Summary

Steady Savers are pre-retirement couples who can be proud of the financial stability they have achieved on not excessive incomes. At least one partner is likely to be well-educated, perhaps with a professional job; the other might have an administrative role. With one working full-time and the other part-time, their household income is above average.

Aged around 60, their children are often still at home in the smaller detached house where the family was raised. They are likely to have paid off their mortgage commitments or will be on the verge of doing so.

Steady Savers avoid loans and going overdrawn on their current accounts and use their credit cards sensibly; they are not part of the "have it now" mindset and have always saved for what they want.

Steady Savers have built up a reasonable amount of savings and prefer low risk products such as premium bonds, savings bonds, cash ISAs, with their accounts with traditional providers. Most will have a company pension scheme - very probably on final salary - although some will have a personal scheme. An annuity is the most likely way they will draw on their pensions, although some are keeping their options open in this regard.

Despite being open to the benefits of the internet to research products, especially insurance, they are more likely to favour a human touch when it comes to financial advice, relying on High Street banks, building societies or IFAs.

Running at least one car, with fully comprehensive insurance, around three-quarters will stay with their existing provider come the renewal date.

Steady Savers might not be able to look forward to a world cruise, but they can be confident retirement will treat them well and allow them to take extended holidays.

Personal Account

I'm Trevor, and I'm 60. I've been married to Sandra, who's 59, for just under 30 years. We live in a three-bedroomed detached house on the outskirts of a little town not too far from the north-west coast. When we were in our 40s we dreamed of retiring to the seaside, but it doesn't seem like such a good plan now. We like to tell people we're a stone's throw from the beach - provided you can throw a stone 10 miles.

I've been a computer programmer since the early 80s. For the past 17 years I've worked for a major manufacturer. It's strange to think about it now, but when I was 50 it looked like I was finished. There was a shake-up, a big round of redundancies, and I was ready for the worst. I was convinced I was about to go, but it turned out they valued my experience, which isn't something you hear a lot of nowadays. So I'm still there. I even got promoted, with a little pay-rise into the bargain. So it's funny how things can work out.

I've been more of a manager since I was promoted. I'd quite like to go part-time as I get closer to retirement. We're talking about it at the moment - I think they'd quite like to cut the wage bill, and there are a few of the younger ones who are ready to take on more responsibility. Going down to three or four days a week would help me to get my golf handicap respectable.

We've got three kids. Our older daughter married and moved to New Zealand; our younger daughter lives with her partner about 20 miles from us; and our son's in London. When she wasn't bringing them up Sandra worked as a school nursery nurse, sometimes part-time and sometimes full-time. She's part-time again at the moment and is thinking of retiring soon too.

We finished paying off our mortgage a few years ago, and I think we are going to get by easily enough. We've got my company pension and Sandra's personal pension, and the kids are doing well. I don't want their money, but it's comforting to know they could help us if anything went seriously wrong.

I've got a few shares in the company I work for, but our financial adviser told us a while back that we shouldn't have all our eggs in one basket. So this year we sold them and put a few thousand into a cautious fund he recommended. Sandra was nervous about putting any more than that in, which is fair enough.

We've always kept this house because it's perfect for when the grandkids visit, and I think most of our financial decisions now are going to be partially geared towards them as well. And that's a nice situation to be in.

Financial Strategy Segments 2011

Group J: Established Reserves

Type J36: Deferred Assurance

These couples, mostly in their late 50s, have reasonable incomes in their jobs but haven't yet achieved the financial stability that might be hoped for at this stage of life. Outgoings are still high, and often include supporting adult children through studies. They have a tendency to feel overstretched, and savings are consequently limited.

Summary

Households are likely to be made up of a mix of full-time and park-time workers, usually aged between 56 and 65. Adult children are often still living in the family home, creating an added expense when they are studying and not yet able to contribute to household finances.

Just when they think they are about to gain some momentum and make progress, these couples always seem to hit another hump on the road to financial security. That seems to be the story of their lives.

With incomes around the national average, Deferred Assurance great achievement has been to buy their typical semi-detached house which they have lived in for some time. With mortgages being paid down they do not owe a significant amount and some may have even paid it off altogether.

Saving has proved harder. What they have is likely to be in savings accounts, cash ISAs or premium bonds. There are likely to have been periods in the past when debts have got on top of them, but they are keeping a close eye on finances and would say they are well on top of things now.

You are likely to find one or more credit cards in their wallet, but don't expect them to be revolving significant balances, or to transfer balances regularly.

While they may use price comparison sites to research insurance premiums, expect them to go to the insurer directly to purchase their policies.

These families are quite likely to have pensions, including final salary schemes, but they are unlikely to be satisfied with their current situation and may well work past retirement age to top up the pot.

Personal Account

I'm Terrence, and I'm 61. I'm married to Susan, who's 60. We live in a three-bedroom semi, which we've had for the past 16 years. The village used to be surrounded by fields, but now it's surrounded by a big industrial estate that's full of warehouses with nothing in them. It's still a nice place to live, but it's lost that real "village" feel during the past 10 years or so.

I used to be an engineer, and for the past three years I've been a sales rep for an engineering firm. It's not a bad job, and in the end I was probably lucky to get it at my age. I can find myself pretty much anywhere in the country, though my patch is officially from Newcastle down to Milton Keynes. I fix my meetings, so I feel like my own boss, and I like driving. I have a company Mondeo that has some nice extras like sat nav, air-con and a CD-changer - it's a lot better than I could buy for myself.

Susan's in catering, working at the local golf club a few hours a day. The rest of the time she helps look after Jean, her mum, who's in her late 80s and moved in with us four years ago. Jean's not in the best of health: she's very unsteady on her feet and needs a frame to get around. After a lot of soul-searching we asked her to move in. She was in a warden-controlled flat before, but we were never very impressed with the set-up there.

Dee, our daughter, also lives with us. We thought we'd got rid of her, but two years ago she came back. I shouldn't joke, to be fair. She split from her boyfriend, and it wasn't nice. She's 33 and works part-time in a shop in town. In a way it sorts itself out pretty well, because if she and Susan carve their hours up properly it means Jean has someone with her most of the time.

Three generations in one house isn't an ideal set-up, of course, and it's done nothing for our finances. If that sounds cruel then I don't mean it to be. But in the space of a few years Susan and I have gone from looking forward to retirement with a bit tucked away to… well, let's just say we've had to adjust. Between the lot of us, including Jean's pension, we get £45k a year, which sounds a lot but isn't when it's split between four adults.

At the moment we've got about £40k saved up. We've had to dig into our savings a couple of times, and that's what worries me more than anything. I see us reducing what we've got instead of adding to it, and I've got a pretty ordinary pension. I can't see me stopping work come 65; I might need a couple more years under my belt to make up the shortfall.

Financial Strategy Segments 2011

Group J: Established Reserves

Type J37: Practical Preparers

Practical Preparers are singles (often women) in their late 50s and early 60s who are working towards retirement or have recently retired. They are very aware that without a second income they have to be self-reliant in their retirement preparations. They have mostly paid off the mortgage and, considering their income, have a good level of savings. This practical approach means they will be okay in retirement.

Summary

These are older singles on the countdown to retirement; some may already have got there. They live in good homes and are doing fine but are acutely conscious that, without large savings or a second income to fall back on, they do not have a financial safety net.

As a result they are careful with their money. Practical Preparers still enjoy life, treating themselves to nice holidays and good food, but they keep a tight watch on the expenditure. In fact, some have become so good at managing on a budget that they have taken early retirement so they can enjoy the good things in life more.

Many of them came to singledom later in life after divorcing. The divorce settlement may have helped them get established in a better-than-average home in a pleasant neighbourhood. But they are well-educated and, by working hard and achieving positions of authority at work, have built on those foundations to achieve a level of security.

Most will have paid off the mortgage, or are close to achieving that target. They are sensible spenders. They will hunt for the best mortgage deal; they will have store cards but only for the initial discounts; they will have a credit card for convenience but nearly always pay the debt off each month to avoid interest charges.

They squirrel away savings regularly and tend to have a cautious risk profile. They like to make sensible choices in savings products without trying to be too sophisticated, choosing a range of off-the-shelf products such as cash and equity ISAs, savings bonds or notice savings accounts. You can be sure they will have found the best savings deals.

Practical Preparers will not typically take out personal insurance cover, and will spend below the national average across all insurance types.

Many have a final salary pension scheme, possibly through public sector jobs. Where possible they will have made additional contributions to their pension schemes. They also look to their savings to supplement their retirement income.

Personal Account

My name is Glenys, and I'm 56. I'm an academic research centre manager. I earn around £34k a year. I live in a three-bedroom semi. I'm on my own, but the extra rooms are useful when my sister and niece come down to visit from Bristol.

I moved here after my divorce in 1994. We'd lived in a lovely big Victorian house - that's the one thing I shed a tear over losing. That's not quite true, but I had to downsize and make some big adjustments. My house is worth about £230k now, though it didn't cost me that much. I paid for the deposit with the divorce settlement, and my dad gave me £10k as well. I've got the mortgage down to about £5k, and I try to pay extra in each month.

I've switched mortgages a few times - I got a call from a broker a few years ago. I usually ignore those sorts of calls, but I didn't that time. They were able to get me a good deal, but you have to change every three years or so. And there's always a fee, so I just want it paid off.

I like my holidays - I've got some good friends who like to travel, so I join them. But otherwise I'm very careful - I drive a little Corsa. I have several savings accounts that are each earmarked for a separate thing. So I have my holiday account, my car account and my emergencies account, and I save regularly every month into each of them.

I never go overdrawn. Living on your own, you don't have back-up - and everything costs more, because there's no one to share the bills with. You have to be careful. I know when I retire my income will go down a lot as well, but I'm used to budgeting.

I've got quite a few store card accounts, but I only get them because they offer me a discount to open them. I got 25% off my curtains at Laura Ashley the other day - but I always cut the cards up afterwards.

I'm buying AVCs through work at the moment. My dad was always big on AVCs. When he died 10 years ago my mum moved into a smaller house. One day she was talking about her widow's pension, and that's when it really hit me. I realised that I would never have one of those - it was all down to me. I really panicked. I've got my ducks in a row since then.

My dad was the one I turned to for advice on money. I'm paying off the mortgage and saving into my pension. I've got some cash ISAs and a couple of unit trusts my dad recommended, but they just seem to have lost money. In the end I prefer cash - it's safer.

Group K: Seasoned Economy

Type K38: Persistent Workers

These couples are aged between 56 and 65 and often live with a working adult child. They own low-value homes, often ex-council terraces, and may still have some mortgage to pay off. Individual incomes - usually from clerical or manual jobs - are not high, but the fact that two incomes are contributing to the bills means day-to-day finances are okay. Savings are limited to small amounts for emergencies.

Summary

These households consist of a couple heading into retirement and often a son or daughter who still lives with them and helps with the bills. It is likely at least one member of the household will be in full-time work and that everyone will have a job of some description. There will probably be a mix of skills, from clerical to manual.

Most own their properties and will have lived in them for some time - very possibly more than a decade. Homes are low value and may be ex-council, usually terraces or semi-detached.

With every member of the household chipping in to make ends meet, mortgage payments should be nearly finished. These families are keeping their heads above water but are likely, for example, to have just one car between them. They prefer not to go overdrawn if they can help it.

Persistent Workers have some cash savings but only small amounts for emergencies and, although perhaps reluctant, may have to resort to loans for bigger buys.

Pension provisions are limited. There is a chance one household member will have a company pension or some form of additional pension saving in place, but many will have little in the way of retirement savings.

The use of insurance products is average, with most having basic car and household insurance but nothing additional.

Some will have sought professional financial advice, but many are self-reliant when it comes to making financial decisions.

Personal Account

I'm Ann, and I'm 59. I live with my husband, Kenneth, who's 58, and Scott, our son, who's 20. We have another son, Bryan, who's 29; he left home 10 years ago when he had to move for his job.

We bought our house 10 years ago after renting it for 15 years. We've got next to nothing left on the mortgage now. It's just an ordinary semi, worth about £110k, but we love it. Now that we're on the final stretch with the mortgage, we don't have to worry about it any more. A couple of years back we had the front garden paved so we could take the car off the street. We took out a loan to do all the work but managed to pay it back.

We're proud we've got a place to call our own, but it's fair to say we've never really had money to spare. Five years ago we had to help Bryan when he ran into some money trouble, and a couple of years back Scott turned up on the doorstep only two months after we thought we'd got rid of him.

He was the first member of our family to go to university. He was supposed to study English literature, which was his favourite subject at A-level, but after a few weeks he suddenly decided he hated it and announced he wanted to come back. Kenneth went spare and told him he was throwing his future away, but he was adamant. So he came home, with no intention of trying for another university. He said all he wanted to do was start work.

Well, he was very lucky. He hadn't even signed on when a local marketing company he wrote a job application to agreed to take him on and train him up. He doesn't earn much at the moment. They give him peanuts, to be honest, because they know they sort of rescued him from the dole. But he pays his way and always tries to help us out - and quite right, too.

So we've got a marketing trainee, a cleaner - that's me - and a foundry worker in our house. We've only got one car, a older Focus, but Kenneth gives Scott lifts to and from work; I start and finish earlier than them, so I get the bus from the top of the street. It doesn't work out too badly, all things considered.

Sometimes it feels like we're making it up as we go along, but the important thing is that we've always kept our heads above water. Despite everything, we're not in bad shape. Kenneth's got a pension from work, and we've got some rainy-day savings in an instant access account. And Scott's ended up in a job he really likes. We've sort of muddled through, but we've got this far - and we certainly know plenty of people who are in a far bigger mess than we've ever been.

Group K: Seasoned Economy

Type K39: Lifelong Low-spenders

Lifelong Low-spenders are singles in their 50s and early 60s who are relying on one below-average income. They are unlikely to be working full-time. Some may have a part-time clerical Type job; others may have retired early. They own their modest terrace or semi. Their sensible approach to spending has allowed them to accrue modest savings, and they have no use for credit or loans.

Summary

Lifelong Low-spenders are singles heading towards retirement relying on modest salaries and working in roles such as clerical jobs. They may have reduced their hours in recent years and be working part-time as a precursor to retirement. Some may already have taken early retirement.

They probably live alone, having been resident in the same property for a long time. They are likely to own a terraced house or maybe a semi, and they will have paid off or be close to completing their mortgage commitments.

Lifelong Low-spenders have a credit card for convenience but will not be interested in credit. Because they are prudent, they avoid going overdrawn and taking out loans.

Over the years Lifelong Low-spenders have saved what they can from their incomes and have some cash savings in the bank, as well as cash ISAs and perhaps premium bonds. There is a good chance they will have a company pension - probably final salary - and will make average use of general insurance products.

The majority will draw on a mix of sources for advice on money matters: weekend papers, perhaps the internet and friends and family.

Overall they are winding down to retirement with unexceptional but sufficient incomes and the knowledge that they have the security of owning their homes.

Personal Account

I'm Carol, and I'm 58. I'm a telephonist at the headquarters of a county council. I've worked there for nearly 40 years now. When I started it was a proper old-fashioned switchboard, with plugs, coloured wires crisscrossing all over the place and a headset that looked like something snapped off a gramophone; now I use a fancy console and screen and wear a headset that's so light I don't even notice I've got it on.

There used to be three of us operating the lines at the same time, but now we only need one. We were given a choice of job-sharing, redundancy or retraining as receptionists. Job-sharing seemed to make the most sense for me, especially at my age. I didn't want to sit in the foyer all day, which is what my friend ended up doing.

I live in a decent little semi that my ex-husband and I moved into when we got married. We divorced 14 years ago, not long after the younger of our two kids left home. My ex moved out; I stayed put. The divorce settlement helped see me through, of course, but straight away I found myself being really careful about money. I ran the same car for 10 years - I mean, I absolutely ran it into the ground. I put aside what I could and kept an eye on the future. The main upshot was that I paid off the mortgage last year, which is great.

My income now is probably the lowest it's been for about a decade, but I don't feel anxious. I actually feel quite settled in a lot of ways, because I think how careful I've been in the past has stood me in good stead. I don't need loans, and I steer well clear of credit. I hardly ever go overdrawn, and if I do it's probably by mistake. Basically, there's no way I'm going to take on debts or get myself into trouble when I'm winding down to retirement - that would just undo all the hard work I've put in.

There's only me, and I don't need much. I love my garden and grow quite a lot of my own food - I have a chest freezer in the shed, so I can freeze beans and peas and soft fruit. I make jams and pickles and do a lot of home baking. And I don't buy much. I've had my telly for about 10 years. It still works, so I don't see the point of changing it. I think I can manage on less than most people and still be happy.

I've got a small pension and some savings, and I'm still doing what I can to add to them - not by as much as I used to, but at least I'm still in the habit of putting a bit aside. From what I read in the Daily Express personal finance pages that's not a bad position to be in nowadays. I still have to be careful, but I'm not going to starve. I know a lot of people in far worse circumstances.

Group K: Seasoned Economy

Type K40: Experienced Renters

Experienced Renters are singles aged 55 to 65 who rent flats or small terraces. Few work full-time, and getting by on what they are able to earn or receive in benefits can sometimes be a struggle. In the absence of decent savings or pension provisions, their circumstances do not look set to improve.

Summary

Experienced Renters are older singles coming up to retirement age who are facing the future after their working life on low incomes. Some may have retired already through ill health; otherwise, they are likely to be working in low-paid private-sector jobs that pay below-average wages, often on part-time rather than a full-time basis.

Incomes are, therefore, quite low and although they can see the need to save for the future, it is often very difficult to put anything away after the essential bills have been paid.

Experienced Renters live in low-cost rented council and housing association flats or small private terraces.

Keeping on top of bills can be a struggle and a significant minority may find themselves unable to keep up with the day-to-day bills; however, like many of their generation, Experienced Renters don't like going into debt. They rarely go overdrawn and do not like loans. For credit they prefer to use catalogues and spread payments.

Experienced Renters do not have the buffer of savings and most face retirement surviving on a State Pension with little additional pension provision. With no hope of further saving, they have little chance of improving their retirement position. However, a lifetime of experience in making a small income go a long way will enable them to make the most of what they have.

Personal Account

I'm Winston, and I'm 63. I left school when I was 16, like most of my friends. That's how it was in those days. You couldn't wait to get out and start working to earn some money. Now you can't wait to stop work, but I still need the money.

My first job was as a hod carrier. There was plenty of building going on in London in the '60s, so I was always able to find work.

I've done quite a few jobs in my time - cleaning, bus conductor, hospital porter. My dad used to tell me I wouldn't amount to anything, but I've made it to higher education - I'm a university porter.

I work on a campus that I actually helped build. I didn't do much - I worked there for about six months in 1968, just mixing concrete, but it's something to tell the students. So I feel very lucky and grateful.

I get the tube, and then it's a 15-minute walk either end, or a bus ride. It depends how I'm feeling on the day. I have a flat from a housing association, and I've been there six years. I don't have a car for three reasons: I can manage without, there's nowhere to park it, and I can't afford it. Mind you, it costs me about £100 a month for my Oyster card.

I don't have much money, but I don't have any debts either. I've dug plenty of holes in my time, but I haven't dug myself into a financial hole yet. I've gone through my entire life living within my means - even when my means were pretty slim.

I don't like to see the young ones taking on all these debts for studying. It doesn't seem the way to start life. But it doesn't seem to bother them like it does me. I think some of them have had it too easy: they might be clever, but they've never had to be practical and make ends meet.

I do worry about retiring. I'm going to work as long as I can, because when it's all over I'll be looking to the State. I never had a pension from any of my jobs - I didn't have them long enough. But I like working, this place is good, it's not hard work, and helps me pay my way.

Financial Strategy Segments 2011

Group L: Platinum Pensions

Type L41: Sage Investors

Sage Investors are retired couples and singles who live in expensive properties and have very high levels of savings. They have often been able to retire early and are enjoying a very comfortable lifestyle, with money to spare for holidays and luxuries.

Summary

These are retired couples in their 60s and 70s who live in high-quality detached homes and have very comfortable incomes - the result of generous company pensions, matured insurance policies and healthy investments. While enjoying the benefits of retirement, they may also do some consultancy or voluntary work.

Sage Investors have the highest average savings, so they can afford to give their grown-up children generous lump-sum cash gifts occasionally - which helps reduce the inheritance tax bill.

Many will use a financial adviser or wealth manager for guidance on their investments. They will have a wide variety of savings - especially cash savings - and will be looking to use all the available tax benefits to protect their interest. Expect a diverse investment portfolio, including a range of off the shelf and bespoke investment products; a number will own another property, maybe a holiday property abroad.

These couples value service. They will feel some loyalty to their High Street bank, with which they are likely to have had an account for many years.

They can afford to eat out on a regular basis, buy nice furniture and appliances and take extended foreign holidays regularly, hence the high uptake of annual travel insurance.

Sage Investors use credit cards and store cards extensively, but repayments are made in full every month. Otherwise, use of credit is minimal.

Private medical insurance utilisation is high, as they can easily afford the cover and are unwilling to wait should treatment be required. Similarly, they will have wide spread cover for property and possessions.

While having people to look after their investments, Sage Investors still keep their eye on the money markets and are the most dedicated readers of the Financial Times and other financial publications.

Personal Account

My name is Ralph, and I'm 73. I live with my wife, Diana, who's 67. We've got two grown-up sons, aged 43 and 39, who both live some distance away. We paid off the mortgage 16 years ago, which tied in with a lump sum I received on early retirement. We've lived here for 27 years and recently added an orangery.

I retired at 57 from my job as a director of a large engineering firm. My wife gave up work when our first son was born and has been a housewife ever since. Since I retired I've been a non-executive director of a local charity, and I'm a business mentor for young people.

Financial Strategy Segments 2011

We live very comfortably on a gross income of around £50k a year; the bulk comes from my company pension. I also receive a more than respectable income from investments and have savings and insurance policies that have matured over time. We do make use of credit and store cards but always pay them off in full each month.

I've been with Barclays for over 50 years and have a personal premium banker I can call if I need anything. I like that personal touch. As well as a joint current account, we have a savings account with a facility to automatically top up the current account to prevent it going overdrawn. My wife also has the maximum permitted amount in premium bonds, which is a tax-efficient way of saving cash.

From time to time we aim to reduce our inheritance tax bill by gifting our sons a lump sum - with our assets and a house valued at around £650k, we're over the threshold. It saves money getting into the hands of the taxman, and it's helped our sons buy cars and get work done on their houses over the years.

Recently I've started using a wealth manager from Brewin Dolphin. I found him after seeing an advert in the Telegraph. He's helped ensure our savings work hard for us. I've always relied on my own views from reading the weekend money pages and talking to my eldest son, who works in the City, but it's good to get objective, professional help, especially with the tax complexities.

We usually take an extended foreign holiday each year, as well as a number of breaks to our villa in Tuscany. We've been as far afield as New Zealand and the US in the last few years and tend to take out annual travel insurance cover. We also have private medical insurance, which came in useful when I damaged my shoulder recently while gardening and was seen straight away.

Group L: Platinum Pensions

Type L42: Dignified Elders

Dignified Elders are high-income elderly couples who own very comfortable homes and have good savings to use to top up pension income. Many have had the benefit of a company pension; others have purchased an annuity for retirement income. They make high use of credit cards for convenience.

Summary

Dignified Elders are comfortably retired couples aged 65 and over. They were formerly senior professionals in the public or private sector.

They have lived in their good quality home for many years and have paid off the mortgage. Many live in pleasant retirement locations and participate fully in community life.

Their joint income, which more often than not comes from a final salary company pension, is well above the national average. They have a good level of savings which are used to supplement their company pension or annuity income, which also provides lump sums when they are required for larger purchases.

Dignified Elders are attracted by premium bank accounts with "free" services. Around a third will use the services of a financial adviser for help with investments, although they will also be keen readers of the money pages in the weekend papers.

Dignified Elders can afford to run two cars and take regular holidays, often choosing to take out annual travel insurance. Credit cards are used for convenience but paid off in full each month to avoid unnecessary interest payments. Once they find a credit card provider they like, they tend to stick with them.

Savings are spread across a number of different products, including cash and equity ISAs, and they also often have some unit trusts and stocks and shares.

Personal Account

My name's Maurice, and I'm 76. I've been married for more than 50 years to Jeanne. We have a grown-up son and daughter who have long since left home and started families of their own. We've lived in our house for more than 30 years and are now in the comfortable position of having paid off our mortgage. We bought the place from new, and it's now worth in the region of £300k.

I had a long and enjoyable career with a large insurance company, retiring at the age of 63. I went there straight from leaving school at 16 and worked my way up into senior management. Jeanne worked part-time for most of her career with a car rental firm. We're enjoying our retirement; there's a really good community in the village where we live. Jeanne volunteers two days a week for a local charity, and I'm treasurer of the village cricket club. We're also keen participants in the Wine and Wisdom evenings organised by the Rotary Club.

Our combined company pensions, together with the State Pension, give us an income of around £55k a year. We also have some savings and a small amount of investments, including some premium bonds. This means we have more than enough to live on and can treat ourselves to little luxuries.

A financial adviser who lives in the village has helped with some of our investment decisions, although I'm also an avid reader of the money section in the Sunday Times. Some of our friends use the internet for research, but we mainly use our computer for e-mail and printing photos - usually of the grandchildren - from our digital camera. We do use credit cards, but we tend to pay them off each month to avoid unnecessary interest charges. We don't have any loans.

I've been with Lloyds for about three decades. As well as a joint current account, we also have a couple of notice period savings accounts that pay a slightly better rate. I try to keep the amounts below £85k in each account after the banks got into strife. I have a Lloyds TSB Premier Account, which gives me some nice extras - travel insurance, car breakdown cover and home emergency cover. I don't mind paying a little extra for good service.

We have a holiday once a year in Norfolk, at a place we've been going to for years. We both own cars - I've got a BMW, Jeanne has a Honda something-or-other - although neither of us does much mileage these days.

Group L: Platinum Pensions

Type L43: Comfortable Legacy

These are retired singles who live in good homes benefiting from their long-term commitment to retirement saving. They have built up a considerable portfolio of investments and have been financially astute. Overdraft facilities are never used. They have supermarket credit cards and never transfer balances. However, available income is impacted by the fact that they are now on their own.

Summary

Comfortable Legacy are in their mid-70s and many are single, having lost their partners. They live in pleasant houses - often detached but not excessively grand. They bought years ago, when prices were a lot lower, and paid the mortgage off before they retired.

They are well-educated for their generation and worked in professional jobs, so have decent final salary company pension incomes, often topped up with an income from additional savings they have made over many years.

Comfortable Legacy use credit and store cards, particularly store cards offering extras and discounts. Supermarket credit cards are particularly popular because of the extra benefits they provide, such as loyalty points. Balances are paid off in full and they are unlikely to switch providers.

Comfortable Legacy have a broad portfolio of investments and are most likely to have premium bonds, cash ISAs, NS&I and savings bonds. They also like instant access savings accounts which give security and provide easy access should money be needed.

Although comfortable, they are financially cautious and take care over expenditure, aware that they don't have as much income as they used to.

A degree of loyalty is felt towards car, house and travel insurance providers and they will often renew automatically, as long as the premiums do not shoot up too much.

A third will use the services of a financial adviser in addition to getting advice from financial publications and friends and family. Finances will be carefully managed, mostly by the more traditional communication methods of post and phone.

Personal Account

I'm Dorothy, and I'm 72. I live in the same house I bought with my husband Ivor 24 years ago; sadly, he passed away six years ago. I like to get the house valued from time to time, just to see what it's worth to the grandchildren, and last time it came in at £320k.

Ivor and I met at the council - we both worked there. I was a secretary but gave up work when the kids came along not long after we married. He was in the planning department but retired a few years early through illness.

I have lots of friends who live locally and keep me company. We enjoy taking regular walks in the countryside, which is just a short drive away. A group of us try to get together for dinner every couple of weeks, and we also have a bridge afternoon once a month. When I host it I get a chance to enjoy baking for other people again.

I have a little pension myself and Ivor's pension as well, so altogether I get around £20k a year. That's enough for me to afford most things I need. I've even visited my sister in-law in Australia a couple of times.

I like to walk into town and have a potter round the shops. I've got one credit card and a store card for John Lewis that gives me points every time I spend money there and at Waitrose. It also gives special offers like half-price theatre tickets, which gives me and my friends an excuse to have an evening out.

I've been with the same bank for a long time. They keep offering me an overdraft facility, despite me telling them I don't need one. As well as a current account, I've got a term savings account. I've also got NS&I savings and a cash ISA, as well as a few hundred pounds in premium bonds. It's mostly cash, really - it's safer that way. There are also some equity investments, although since Ivor died I haven't done anything with those. I've often thought about using an IFA, but I've managed so far by reading the Mail on Sunday and taking advice from friends.

I still drive a car - one of my daily rituals is to get it out of the garage in the morning and put it away at night so passers-by know there's someone in. The insurance is very reasonable, as I've got so many years' no claims bonus. As far as other insurance goes, the buildings and contents and travel insurance are renewed automatically each year, although a couple of years ago I thought the figure for the house insurance was very high, so a neighbour helped me do some research on the computer to find a better deal.

Group M: Sunset Security

Type M44: Semi-retired Families

These households are of retirement age but often include someone who is still in employment. Some household members may be "easing" into retirement; others may have a spouse or younger family members in the household in a full-time job.

Summary

Semi-retired Families are very likely to contain someone who is retired and on a company pension, but they also contain someone who is working and can boost the joint income - either a partner or often a member of the extended family, who contributes to the finances. This means that once resources are joined together the household earns close to the national average. Almost a third of household members went through higher education, and most had reasonable professional jobs.

Homes are of average value and typically owned. Mortgages are usually paid off, although a number have an amount still outstanding.

These people have an overdraft facility at the bank but do not often require it, although credit cards can prove useful for one-off purchases. They also like retail store cards but they are unlikely to use loans.

Most will have cash savings accounts for their moderate savings and more than half will have a cash ISA. Some use a financial adviser, with additional advice coming from friends and family, the media and the internet.

General insurance usage is higher than average, including fully comprehensive car insurance and house and contents insurance. This will typically be arranged on the phone, although they may use the internet to check they are not paying over the odds.

Personal Account

I'm Alfred, and I'm 66. I'm married to Molly, who's 58. I retired last year from my job managing a section of the wages department for a major retailer. Molly's still working part-time as a secretary, although she hopes to retire at 60. She says we need the money, but I think she likes it as well and is probably worried I'd get under her feet if we were both home all day. Things will be tighter when she retires too, so it's just as well to have the extra income for a few more years.

We've lived in our house for nearly 20 years and have paid off the mortgage now. House prices are supposed to have gone down recently, but I still can't believe how much they are. One sold a couple of doors down last month for nearly £200k - that's a lot more than we paid.

We've got one son, Ray, who's 28, still living with us. The other, Rob, who's 32, has a family of his own but lives fairly close by in Halifax, so we see plenty of them and the girls, who are seven and five.

In terms of our finances, we get nearly £35k a year from my company pension, Molly's salary and the money we get from Ray. We seem to manage fine on that. We usually pay off our credit card in full every month, but when we bought a sofa recently it was nice to spread the payments over two or three months. We've had the same current account with HSBC for quite a few years and don't often go overdrawn. We've also got a savings account and a cash ISA. I like to read the papers and talk to friends about what we should do with our savings, although we don't have much spare.

We still have two cars, although when Molly retires we might get rid of one of them. We've found that insuring both through the same company works out a bit cheaper. I've heard there are some good deals to be had if you search on the internet, but I prefer to deal over the phone, to be honest.

We try to go on holiday once a year, usually somewhere in the UK. I also get to play golf a couple of times a week, although since I retired I've not made as big a dent in my handicap as I'd hoped. It gets me out of the house, though, and means I'm not always under Molly's feet on her days off.

Group M: Sunset Security

Type M45: Cautious Stewards

These elderly people are still benefiting from two pensions for income. They are very careful with their finances and favour insurance brokers and a financial approach grounded in security. They own their own bungalow or semi-detached house.

Summary

Enjoying a comfortable retirement and benefiting from a conservative financial approach, these couples own pleasant homes - often bungalows - and are likely to have lived in them for more than a decade.

Although a few will have no additional pension provision in place - instead relying on a partner's income - most will have modest company pensions or annuities which allow them to afford a pleasant lifestyle.

Mortgages have been paid off and they will have saved more than most. Cautious Stewards want the best deal they can get on their cash investments and are willing to consider notice period savings accounts and term savings accounts.

There is little chance they will apply for credit even though they would be considered a low risk by lenders. They are the people least likely to go overdrawn.

Cautious Stewards are also likely to be well insured, favouring fully comprehensive motor insurance and covering both home and contents. This will often have been arranged through an insurance broker.

Cautious Stewards consider themselves self-reliant when it comes to dealing with their finances and do not see value in non-professional advice. As a result, many will not waste time consulting friends and family on monetary matters. A good number will have an IFA.

Personal Account

I'm Hannah, and I'm 73. I'm married to Ira, who's 75. We're due to celebrate our golden wedding anniversary next year. We came to Britain from Poland after the war and built up our own little business, which we ran together for nearly 30 years.

We opened a little shop in 1962 and kept it going until we were in our 60s. It was a very simple place at first, hidden away in a terraced backstreet, and we lived above it for 15 years.

The house we're in now, we moved into in 1977. We rented out the flat above the shop and then sold the lot when we retired. There's no shop any more, which is sad, but the proceeds from the sale made us financially secure. We're very proud when we look back at what we had when we first came to Britain and how we worked to build a future together. Now we're comfortable, stable. Our mortgage was paid off a long time ago. We were able to help our son out at university; he's an accountant and a success in his own right. We have a nice home and a nice car. There's nothing fancy - we've had the same television for quite a few years and still squeeze two cups of tea out of one teabag - but what we have is just what we need.

Financial Strategy Segments 2011

We've never been overdrawn in our lives, never. As much as anybody can, we've done it all ourselves. We've never let things get out of hand. We've found people and providers we trust and stayed with them, just like our customers stayed with us.

We've never been big spenders. That's not likely to change at our time of life, although now we have the knowledge that we've enough money behind us, if we do need to splash out for some reason. We feel we've always planned properly and done the sensible thing. When we started our pensions we couldn't put much aside, but at least we started them. It was the same with our investments - not too much, nothing risky, but just a little something towards the future.

I think what we went through when we were young - and what our families went through - gave us a sense of perspective. I know it sounds old-fashioned or even overdramatic if you talk about the war, but people who experienced that time tend to appreciate the value of things.

Financial Strategy Segments 2011

Group M: Sunset Security

Type M46: Classic Moderation

These elderly singles live in their own bungalows and semis and have acceptable incomes. They're very uncomfortable with the concept of debt and never use credit. They have some savings that top up their state pensions but most of their assets are tied up in their homes.

Summary

Now single and in their late 70s and 80s, these people live alone and are innately conservative in outlook. They will have bought their homes - worth slightly more than average - many years ago and will have lived in the same place for a long time.

Reasonably well-educated, they are likely to be - or have been married to - professionals or managers or to have held senior clerical positions. Many will have been public service employees, such as teachers.

If they have a credit card there is a good chance it is from their local supermarket or a popular High Street retailer. They also may have a retail store card. They are reassured by long-established, big-name brands and do not like switching, preferring to stay with one company for many years.

Classic Moderation are very unlikely to regularly apply for credit or a personal loan, although they might have the latter to help buy a car. They have current accounts but do not go overdrawn.

They have often managed to save well, in a range of products including cash-based accounts and equity ISAs - a number have a modest number of stocks and shares as well.

Many will have a company pension. A number choose not to buy annuities, instead drawing on their savings as needed.

Some have an IFA, while others favour advice from a bank. They are not scared of technology including the internet, but they generally prefer to deal with humans rather than machines.

Personal Account

I'm Olive, and I'm 77. I never married. I'm a retired schoolmistress. By the time I finished I was teaching "domestic science", which sounds rather grand, but to me it was always plain old needlework.

I've lived in the same village nearly all my life, although not always in the same house. I was actually born in the local pub. At the time my mother cleaned one of the big houses in the next village. She and my father lodged at the Swan Inn, which is still there today, and she gave birth to me in their bedroom. Funnily enough, I've never been a pub-goer since.

I live on the other side of the village now, in a bungalow I bought back in 1982. My father suffered his first stroke in the late '70s, so I was conscious of staying near my parents. He came to live with me in 1992 after my mother passed away quite suddenly, and I took early retirement the following year to devote more time to looking after him. The money from the sale of their house meant it wasn't hard financially - in fact, we used some of it to pay off my mortgage. I've lived on my own since 1995, when my father passed away.

I've always been careful with money. My parents were very prudent, very frugal, and they passed that mindset on to me. We were taught to live within our means, "debt" was a dirty word.

I only have one credit card, but I've never used it much and probably use it less than ever now. I'm not fond of these chip-and-PIN machines - I feel dreadfully flustered if people are queuing behind me, and I always seem to end up putting the card in back-to-front or upside-down. I used to have a Marks and Spencer card as well. I still shop at M&S but I gradually stopped using the card, because I honestly didn't see the point of it.

I've always been confident in how I've managed my savings and pension, but a few years ago I got a financial adviser to give everything a checkup - just for peace of mind. It was very reassuring. He was very straightforward about it all and said my finances were generally in good shape; it was nice to hear a human being talking sense rather than listening to a recorded message. If I want real, meaningful advice - about anything, not just money matters - I prefer to have a genuine conversation.

We talked about my insurance as well, and he said I'd struggle to beat the deal I'd got through Age UK. I think he said I might save a few pounds if I looked around, but it wasn't worth all the hassle with the paperwork; besides, I trust them - a friend at church is a volunteer in one of their charity shops.

Group M: Sunset Security

Type M47: Quiet Simplicity

These elderly homeowners are living alone on limited income and savings. They favour simple financial products such as instant access savings accounts and are reluctant to switch providers.

Summary

Often women in their late 70s, these homeowners live alone in unassuming properties. Some may have bought bungalows in recent years; others have moved into warden-assisted flats that allow them to retain their independence with the reassurance that someone is there to look out for them.

They come from an era when it was common, especially for girls, to leave school at 15, which restricted job opportunities in later life. Most have a small pension on top of the State Pension but their income is limited and their ability to save over the years has not been great.

However, the ownership of their home provides them with security and their small amount of savings helps when needed.

Committed to living within modest means and part of a wartime generation less comfortable with credit, they are unlikely to borrow. Some will not even have a credit card.

Quiet Simplicity have current accounts but are not particularly interested in many of the additional services offered by banks. They favour simple savings products, such as instant access savings accounts and premium bonds, but have only modest savings.

These people are at a stage of life where they like things simple and certain, so they are reluctant to switch providers or to be persuaded to invest in sophisticated products.

Personal Account

I'm Mabel, and I'm 78. I've lived alone since my husband, Albert, died six years ago. We bought our council house in the '80s, and nothing could feel more like home. It was 1969 when we first moved in, so I've been here for a long time. I've had the same neighbours for as long as I can remember - all are about my age, all good friends. The houses themselves are only three-up-two-downs, but we've got lovely long gardens that we've all been working on for years. I still remember when we just had a row of lawns - now we've all got trees, lovely borders, fishponds, greenhouses, rockeries… It's beautiful, though these days I need my son to come round and help keep it looking nice.

We've talked about what will happen when I can't manage any more. One of my friends, Edna, has moved into a new warden flat, and it's very nice, but I don't really want to leave here.

I left school when I was 15, but there was nothing unusual about that back then. I've worked in shops and offices and was a doctor's receptionist for nearly 20 years. My last job was as an outpatient appointments clerk at the local hospital, which I did at until I was 67. Albert worked for British Leyland and then Jaguar and retired when he was 65.

I get half of his pension now, which isn't a huge amount but helps me get by. I've got a little personal pension of my own as well, but that's hardly worth talking about. We never put much away between us, but we always lived within our means. I have some savings, including an ISA, but it's not much - more Skegness than Monte Carlo. It'll go to the grandkids one day, I'm sure.

I do have a little pot of savings set aside for the car. What with Albert working for Leyland and Jaguar, we've always bought British cars. Albert used to say we'd have a Jaguar of our own one day, but we never made it past a Rover. I've got a little red Rover now that I bought the year after Albert died. It's a lovely car. I don't do many miles, but I do like to be independent. At the moment I've got about £2,500 saved up for a replacement, but this one feels like it's got a while left yet.

You see, we've always made things last. We've never had a loan or anything like that, and we haven't even gone overdrawn. Albert would never have allowed that to happen - he was very proud like that - and I won't either. The bank offered me an overdraft facility a few years back, even though I don't need it. I think they must offer them to everyone, regardless of whether they need them.

Group N: Traditional Thrift

Type N48: Senior Sufficiency

These retired couples own modest but pleasant terraces or semis. Their individual incomes are low but when pooled together give sufficient for daily needs. They do not trust the internet and prefer face-to-face transactions.

Summary

Often aged in their 70s, these retired couples own modest properties, usually a terrace or a semi, in which they have lived for many years. They are likely to have paid off their mortgage and probably view their homes as their children's inheritance.

Senior Sufficiency might have some small company pension entitlement or very modest annuities, but generally their individual incomes are low. However, they have the benefit of combining their resources which gives them a more comfortable margin for everyday expenses.

Senior Sufficiency do not believe in credit and use credit cards only for convenience. They might use mail order catalogues, but they are careful about how much they spend. They are unlikely to go overdrawn on their current accounts. They do not like loans, preferring to budget carefully for what they need.

They are unable to afford to save much, but they do what they can, saving small amounts in simple savings accounts.

Insurance is likely to be arranged via a branch but they will keep insurance payments to a minimum.

Uncomfortable with technology, even ATMs, they prefer to deal with human beings. They are also likely to value their own opinions on financial matters above anyone else's.

Overall, these older couples live modest lifestyles but, without mortgages or rent to pay, can live adequately within their means.

Personal Account

I'm Frederick, and I'm 76. Lilian, my wife, is 74. We first met when I was doing my National Service and courted on and off for the best part of 10 or 11 years before I finally popped the question. We moved into our council house after we married and have been here ever since. We bought it in 1982. We've got a lot of happy memories here and haven't really ever thought about leaving.

I was a plumber pretty much all my working life. I wish I earned as much as plumbers get now, but it was nothing like. I've always been practical and still do the odd bit of work for some of the neighbours - just a spot of painting or gardening. I even used to be able to service the car until they started sticking computers under the bonnet; now it's like they're specially designed to stop you doing anything yourself.

Lilian spent most of her time bringing up our children - two daughters and a son - but she did all sorts of jobs when she could, including working on the tills at the supermarket when it was the only one in town. We really didn't do too badly between us, especially when you bear in mind we brought up three kids.

We finished paying off our mortgage years back. We got into a good routine and just kept chipping away at it until one day it was gone. I'd say the house is worth just over £100k now, which will be useful for the children somewhere down the line.

We don't really go in for credit and things like that. We never have. The younger generation seem to think it's the bee's knees - until it all goes wrong. Our older daughter got into a right tangle a few years back. She got carried away and made some daft decisions. She's sorted now - we had to help her a bit, such as we could - but it was a very stressful time for everyone. We'd never put ourselves in that position. It's not worth it.

Lilian likes to get things out of the catalogues - at Christmas, say, when it's a lot to pay out at once with the grandchildren - but she doesn't go overboard. We've got a credit card as well, but we only use it if we're caught short for cash. Even hole-in-the-wall machines rub me up the wrong way, especially when they try to charge you for taking out your own money.

We can't afford to save a lot these days - it's probably a bit too late now anyway. But we've got an instant access savings account, and that's where we put away anything we can. I get a small annuity from when I used to work for a big firm, and Lilian's got a little personal pension. We don't have too much coming in, but we don't have too much going out. We just tick over nicely.

I like to see the person I'm dealing with when it comes to money. That's why I go to the building society branch and why I go to a little agency up the road when my car insurance needs renewing. I don't want people barking advice at me, less still machines. I just want that personal touch.

Group N: Traditional Thrift

Type N49: Ageing Fortitude

Ageing Fortitude are in their late 50s and 60s and are often living in challenging circumstances. Incomes are very low either because suitable jobs are scarce or ill health has forced early retirement. With very little in the way of savings to fall back on, loans can be required for relatively low amounts.

Summary

Ageing Fortitude are mature people with incomes that are well below the national average. Those below retirement age are often unemployed, and many left school before they were 16 and have no qualifications and few vocational skills. A significant number are unable to work through ill health. They tend to live in generally low-income areas.

In their late 50s and 60s, most rent a council house or housing association property. These properties are very low in value.

Only half have credit cards, but many use catalogues to enable them to spread payments. They find it a struggle to keep on top of bills, and some have turned to a credit union for help. Few have been given an overdraft facility by their bank, and finding credit when it is needed can be a problem. A number have got into financial difficulties.

Ageing Fortitude have very little in the way of savings and are the most unlikely to use a financial adviser.

They don't spend much on insurance, with few valuable possessions to insure and no spare income to pay for it.

In spite of their low incomes, these people have always managed somehow and their lifetime experience enables them to survive on the little they have.

Personal Account

My name is Norma, and I'm 58. I've got four adult children. My two sons still live with me. They're in their 20s now, but they don't work. They've tried, but they can't find any jobs. I left school when I was 16 and got a job in a shoe factory, but I left when I was 19 and got married and had children to look after. I was divorced in 1997.

I did have a job for a while, monitoring CCTV cameras, but not any more. I've got asthma, arthritis in my left hand and right knee and severe back pains. I pretty much rely on benefits to get by. I live in a three-bedroom council house that I've been in for 27 years.

I have to pay everything out of my benefit money, and that includes food for the boys. They don't give me anything for food, though the eldest does help towards the TV and broadband. I have to be careful. I always write a list before I go to the shops, and I'll check prices between supermarkets to get the best deal. I buy quite a bit from Iceland, too, because they do free delivery, which means I can get back home on the bus and not have to pay taxi money.

Money's always tight. In 2008, when I was struggling after Christmas, I got a letter through the door from a firm offering me a £500 loan. I thought it would come in handy, but they didn't tell me about the interest. A few weeks later they gave me the money and told me I'd have to pay back £340 on top of that. I was paying £15 a week to a man who would come round to the house. It was really getting me down.

Then I went to a Community Action Team meeting where they had a speaker from the credit union. I got up and spoke about my problems in public - it was the first time I'd said anything to anyone. They offered to help. They took on the loan and saved me £169 in interest. I've paid it all off now. I save with the credit union most weeks - into a normal account and into their Christmas club as well. I got £170 last Christmas, which paid for decorations and food and a new coat I needed. I usually put in about £3.50 a week. A few weeks I've only managed 50p, but it adds up over time.

I have a bank account and a Visa Electron debit card. You have to have money in the bank for that to work - it's to stop you going overdrawn. I don't have an overdraft; they said I didn't have enough points or something.

I don't have any insurance on the house, but I do have a life insurance policy, which costs me £1.99 a month. That's to pay for my funeral if anything happens to me, so the boys aren't left with a bill.

Group N: Traditional Thrift

Type N50: State Veterans

State Veterans are elderly singles living in council flats or bungalows. They favour branch or post office banking, use mail order catalogues and are dependent on the State Pension. Frugality and careful budgeting allow them to make ends meet.

Summary

Now retired, these elderly people live alone in small properties. The vast majority will rent small, low-value, purpose-built council and housing association flats or bungalows (perhaps warden-assisted).

These people have low incomes and are reliant on the State Pension. With little in the way of qualifications, it is highly likely they will have been employed as skilled manual workers or perhaps supervisors. They have not been able to build up additional pension provisions.

However they are also low spenders. Old-fashioned and determined to spend only what they have, they are unlikely to have credit cards and would never dream of trying to obtain credit. Loans are also unlikely.

They have little in the way of savings. If they have anything, instant access savings accounts will be preferred.

Despite all of this, they manage to keep on top of their bills and are self-reliant when it comes to making financial decisions. Most do not have PCs or mobile phones, preferring to go in person to a branch or post office. They are reluctant to trust anyone else with their money.

Personal Account

I'm Arnold, and I'm 82. I live alone in a warden-assisted bungalow in a nice, quiet cul-de-sac. We're very lucky here. It's quite a big village, but it's pretty. There's a dual-carriageway a couple of miles away, but if you head in the other direction you're in some lovely countryside. We've got a village green and two smashing pubs. And we've got a post office, which is very useful for me. I couldn't ask for better, really.

I worked at one of the most famous breweries in the country for more than 50 years. I was a cooper - that's someone who makes beer barrels. It was a special job. You had to know woodwork and metalwork. The apprenticeship alone took seven years. If you were good enough you became a "journeyman cooper" and then a "master cooper", the top rank.

Bessie, my wife, passed on five years ago. She used to work in another part of the brewery, on the bottling line. We moved to the area 15 years ago, renting off the council. We had five kids which is probably the main reason why we've never exactly been flush. We've always been a tight-knit family, but only one of the children lives within 50 miles of here now, so I'm quite reliant on help. I use a meals-on-wheels service most days, although once a week I'll pop down to the pub and have a spot of lunch and a pint - just to remind myself that the beer tasted better out of proper barrels.

I'm not one for trying to be clever with money. Time was when we kept all of ours in the house. I've had a savings account for a long time now, but I don't have a credit card or anything like that. I like to know how I stand at all times - I don't want something I thought I'd paid for months ago coming back and biting me on the backside. Bessie used to be a big fan of mail order catalogues, but I made sure they were all cancelled after she died. I think it's too easy to lose track of these things if you're not careful. I don't have much in the way of savings - just my State Pension - but I've never missed paying a bill in my life. I seem to manage - the cold weather payments help with the gas bill.

Financial Strategy Segments 2011

Person Level Type Descriptions

Person Type A01a: Ross or Emma

Ross or Emma are single professionals in their late 20s and early 30s who have respectable incomes, want their own space and have stretched themselves to get on the property ladder. Mortgages are high relative to income and consequently take a good proportion of monthly wages.

Person Type A02a: Hassan

Even as a professional single in his 30s, Hassan has chosen not to make the move into property ownership, instead valuing the freedom and flexibility of renting. Well-educated and with a good income, he has time to indulge in his love, the latest technology.

Person Type A02b: Anna

Even as a professional single in her 30s, Anna has chosen not to make the move into property ownership, instead valuing the freedom and flexibility of renting. Well-educated and with an above-average income, she takes advantage of technology to stay connected on the go.

Person Type A03a: Sam and Jodie

Sam and Jodie are young people in their early 20s who have succeeded in getting on the property ladder despite the high costs. Unlikely to be able to afford to buy on their own, they may well have had assistance from parents or pooled resources with a partner or friend.

Person Type B04a: Imran and Saima

Imran and Saima are a young couple in their late 20s or early 30s who are living in low-value, affordable properties, often terraces. They are reliant on loans for many purchases and sometimes for credit consolidation. Half have young children.

Person Type B05a: Ali

Ali is single, in his 30s or 40s and lives in an urban centre. He rents his property - in all likelihood from the council or a housing association, although he may be forced to pay the high prices necessary to rent privately in inner-city locations. This is only possible with a city-weighted salary or with the help of benefits.

Financial Strategy Segments 2011

Person Type B05b: Nadia

Nadia is single, in her 30s or 40s and lives in an urban centre. She rents her property - in all likelihood from the council or a housing association, although she may be forced to pay the high prices necessary to rent privately in inner-city locations. This is only possible with a city-weighted salary or with the help of benefits. Children are often an additional financial burden, which can necessitate loss of income and consequently, debt can become a problem.

Person Type B06a: Lukasz or Ewa

Lukasz or Ewa are in their late 20s and 30s and have made reasonable progress in their careers. Quite transient, they are planning on enjoying life before they commit to further financial responsibility. They rent flats or small terraces from private landlords.

Person Type B07a: Tom or Lauren

Aged 18 to 25, Tom or Lauren are young people who are students or have recently started their first graduate job. They still have only limited financial products: one credit card and a current account with an authorised overdraft. They prefer modern methods of communicating with their bank and rely on friends and family for advice.

Person Type C08a: Ashley or Chantelle

Ashley or Chantelle are single, aged 18 to 25 and often live alone in small rented flats and homes. When they can find work it is in low-paid, low-skilled jobs. Some are single parents. Many have little in the way of formal finances. Those with a current account tend to go overdrawn without authorisation.

Person Type C09a: Damian or Kerry

Damian or Kerry are singles in their late 20s and early 30s; many of them single parents. A high proportion are not working; they are either looking after the kids or unemployed. Incomes are very low, and any work is low-skilled. They rent small flats or houses from the council. They like technology and will rely on small loans to buy higher-ticket items. Finances can be shaky, but a determination to make things work and enjoy life despite their income enables them to mostly get by.

Person Type D10a: Max

Max is in his 30s or early 40s, has built a successful career and is now earning a high income. He is unlikely to have children, having put off a family until his career is well established. He has bought an expensive property to reflect his achievements and has a high mortgage but still has money to spend. He trusts his own intelligence in finances and researches direct via company websites while maintaining a healthy scepticism of what he reads.

Person Type D10b: Lara

Lara is in her 30s or early 40s. She enjoys a good household income - either through building a successful career, or, where she has started a family and is working part-time, though a high-earning partner. She has bought an expensive property to reflect her achievements and has a high mortgage but still has money to spend. She is less inclined to consult finance professionals, preferring to take personal advice from friends and families.

Person Type D11a: Simon

Simon is in his late 30s or early 40s, living with his wife and kids. Both he and his wife are likely to be working in good jobs and earning high incomes. Their busy lifestyle requires that they run two cars and find efficient ways of dealing with their finances - often via the internet. They have sizeable mortgages on good detached homes. Simon is aware that his income is essential, making critical illness and life cover very important.

Person Type D11b: Juliet

Juliet is in her late 30s or early 40s, living with her husband and kids. Both she and her husband are likely to be working in good jobs and earning high incomes, although for Juliet, this is likely to be on a part-time basis while the children are young. Their busy lifestyle requires that they run two cars and find efficient ways of dealing with their finances - often via the internet. They have sizeable mortgages on good detached homes.

Person Type D12a: Syed

Syed is in his 30s, living as a couple with kids. Often both parents work full-time, earning two good incomes. They own comfortable family homes and have a sizeable mortgage. Time is short with jobs and family to look after, so the internet is often used. They may dip into overdraft sometimes and have a practical level of insurance cover.

Person Type D12b: Deepa

Deepa is in her 30s, living as a couple with kids. Often both parents work full-time, earning two good incomes. They own comfortable family homes and have a sizeable mortgage. Time is short with jobs and family to look after, so the internet is often used. They may dip into overdraft sometimes and have a practical level of insurance cover.

Financial Strategy Segments 2011

Person Type D13a: Mark

Mark is in his late 30s or early 40s and lives with his wife and children. They have two above-average incomes, though Mark's wife is likely to work part-time. They have a repayment mortgage on their mid-range semi or smaller detached home. While their incomes are okay, they know they need to make the most of them and are likely to search for better deals online, such as transferring a credit card balance and finding the best insurance deal or loan rate.

Person Type D13b: Clare

Clare is in her late 30s or early 40s and lives with her husband and children. They have two above-average incomes, though Clare is likely to work part-time. They have a repayment mortgage on their mid-range semi or smaller detached home. While their incomes are okay, they know they need to make the most of them and are likely to search for better deals online, such as transferring a credit card balance and finding the best insurance deal or loan rate.

Person Type E14a: Matthew

Matthew is in his late 20s or early 30s and, with his partner, living in their first family home. Both partners are likely to be working, earning incomes that are slightly above average. They have a repayment mortgage and often use loans for items for the home or car purchases. They stay on top of their finances by using their authorised overdraft for cash flow and switching providers to save money.

Person Type E14b: Vikki

Vikki is in her late 20s or early 30s and, with her partner, living in their first family home. Both partners are likely to be working, earning incomes that are slightly above average. They have a repayment mortgage and often use loans for items for the home or car purchases. They stay on top of their finances by using their authorised overdraft for cash flow and switching providers to save money.

Person Type E15a: Neil

Neil and his wife are in their late 30s or early 40s with school-age children. He earns an average income, although his wife is likely to work part-time. They have made some progress on paying off the mortgage on their modest semi or terrace. Without much disposable income, they use loans or increase the mortgage when large sums are needed. They make wide use of insurance to protect themselves against any loss of income.

Financial Strategy Segments 2011

Person Type E15b: Lisa

Lisa and her husband are in their late 30s or early 40s with school-age children. She is likely to work part-time, although her husband is likely to have a respectably paid full-time post. They have made some progress on paying off the mortgage on their modest semi or terrace. Without much disposable income, they use loans or increase the mortgage when large sums are needed. They make wide use of insurance to protect themselves against any loss of income.

Person Type F16a: Alastair and Gabrielle

Alastair and Gabrielle are a couple aged in their 40s and early 50s, enjoying the highest incomes and having considerable assets. They own very expensive homes, several luxury cars and have a portfolio of sophisticated financial holdings that often includes additional properties. Many are company directors and business owners. They spend a high amount on insurance to protect their assets and often make use of specialist insurance brokers.

Person Type F17a: Dominic and Susannah

Dominic and Susannah are a couple, aged in their late 30s and early 40s, who have achieved very high incomes at a relatively early age. Many have children. They own expensive detached homes on which they have high mortgages and will be paying off lump sums when they can. They have an excellent range of investments and love dealing with their finances online. Most have private medical insurance.

Person Type F18a: Howard

Howard is in his late 40s to 50s, living with his wife and often has adult children still at home. He has enjoyed a successful career to date and has carefully invested over the years to give his family significant savings, investments and pension portfolios and lives in a high-quality detached home, which is usually owned outright.

Person Type F18b: Virginia

Virginia is in her late 40s to 50s, living with her husband and often has adult children still at home. She enjoys a reasonable income, although now may only work part-time. She has carefully invested over the years to give the family significant savings, investments and pension portfolios and lives in a high-quality detached home, which is usually owned outright.

Person Type F18c: Cameron and Alexandra

Cameron and Alexandra are typically under 30, still living with their mum and dad. They are generally either students or starting out in their first job, and as a result, incomes tend to be low. Added to this, they often have some debt to clear, and while they have usually accumulated a few savings, these tend to be small in size.

Person Type F19a: Hamish

Hamish is aged between 46 and 60 and lives with his wife, often with adult children at home as well. He is likely to own or be a director of a small business; his good income reflects the hard work he has put into the business or career over many years. Partners are often working part-time. They own a high-value property with a low mortgage, have accrued excellent savings and can now enjoy life, buy nice cars and travel.

Person Type F19b: Annabel

Annabel is aged between 46 and 60 and lives with her husband, often with adult children at home as well. She is likely to work part-time; however, she enjoys an excellent household income due to her husband being a high earner - in all likelihood, owning a business. They own a high-value property with a low mortgage, have accrued excellent savings and can now enjoy life, buy nice cars and travel.

Person Type F19c: Calum and Georgia

Calum and Georgia are students, and while they are away in term time, they still call their parents' house "home". Their holiday jobs provide them with a bit of additional income over what their parents are able to give them, which helps to keep debt levels down to a relatively manageable level. Insurance is seen as a necessary evil, with only third party cover on their car. They wouldn't think of managing their affairs any other way than online.

Person Type F20a: Geoffrey

Geoffrey and his wife are aged in their late 50s or early 60s and have very comfortable incomes. Some can afford to cut back on work or even retire early. Many will have the security of a final salary pension scheme. They have an excellent investment portfolio, and many own stocks and shares. They have lived in their good-quality detached homes for many years and own them outright.

Person Type F20b: Vivien

Vivien and her husband are aged in their late 50s or early 60s and have very comfortable incomes. She is quite likely to have retired early and will have the security of a final salary pension scheme. As a couple they have an excellent investment portfolio, and many own stocks and shares. They have lived in their good-quality detached homes for many years and own them outright.

Financial Strategy Segments 2011

Person Type F20c: Benjamin and Kate

Benjamin and Kate still live at home with their parents - possibly as students but more likely in their first job after graduation. Their income is good, but the convenience of living at home, along with having extra money to spend or save as a house deposit, makes the reduction in freedom a price worth paying. As yet, pension provision is a distant prospect; paying off debt is far more of a priority right now.

Person Type G21a: Ian

Ian is in his 40s or early 50s and lives in a good-quality detached home with his wife, often with adult children still at home. His comfortable household income is often based on two good salaries, and the mortgage is well on the way to being paid off. He has made a good start to his savings portfolio.

Person Type G21b: Kim

Kim is in her 40s or early 50s and lives in a good-quality detached home with her husband, often with adult children still at home. Her comfortable household income is often based on two good salaries, and the mortgage is well on the way to being paid off. She has made a good start to her savings portfolio.

Person Type G21c: Jake and Holly

Jake and Holly are students, living with their parents at holiday time. If they do work, it is in low-paid customer service roles, which give them a bit of extra money to enjoy, as well as helping the student loan to go that little bit further. Their parents are well-off and savvy enough to help them with any financial matters, be that with advice or a cash gift.

Person Type G22a: Will

Will is aged in or around his 40s and generally lives alone. He has a good income from a professional job and has accrued some savings. He lives in a good-quality home to suit his lifestyle - sometimes flats, sometimes houses - and has a portion of the mortgage still to pay.

Person Type G22b: Susie

Susie is aged in or around her 40s and generally lives alone. She has a good income from a professional job and has accrued some savings. She lives in a good-quality home to suit her lifestyle - sometimes flats, sometimes houses - and has a portion of the mortgage still to pay.

Financial Strategy Segments 2011

Person Type G23a: Nigel

Nigel is married and in his 40s or early 50s. His children are teenagers or have left home to make their own way, studying or working. With his above-average full-time income and an additional part-time salary earned by his wife, finances are comfortable. Their home was bought at a time when prices were more affordable, and they have benefited from house price rises. Mortgages and savings are modest.

Person Type G23b: Karen

Karen is married and in her 40s or early 50s. Her children are teenagers or have left home to make their own way, studying or working. Her part-time salary supplements her husband's above-average full-time income, so their finances are comfortable. Their home was bought at a time when prices were more affordable, and they have benefited from house price rises. Mortgages and savings are modest.

Person Type G24a: Bharat

Bharat and his wife are in their late 40s and early 50s, living with adult children who are studying or in their first jobs. Their salaries are above average but not particularly high, so the extra demand on finances has hit their savings ability. There is still some mortgage left to pay off on their home, which has increased considerably in value since it was bought.

Person Type G24b: Jayshree

Jayshree and her husband are in their late 40s and early 50s, living with adult children who are studying or in their first jobs. Their salaries are above average but not particularly high, so the extra demand on finances has hit their savings ability. There is still some mortgage left to pay off on their home, which has increased considerably in value since it was bought.

Person Type G24c: Jay and Sabrina

Jay and Sabrina are either approaching the end of their degree, or have recently started their first job. Whichever is the case, they will have large amounts of student debt, and any income will still be relatively low, necessitating that they still live with their parents. They are not particularly sophisticated financially, but use the internet to manage their money - and pretty much everything else they can.

Person Type H25a: Philip

Philip and his wife are in their late 40s or early 50s, often with adult children still at home. His average salary, nicely supplemented with his wife's part-time income, has been enough to pay off a good proportion of the mortgage on their modest semi, which they bought some time ago. Their jobs tend to be office-based or skilled trades. Not much income is left over for savings, which are quite low.

Financial Strategy Segments 2011

Person Type H25b: Beverley

Beverley and her husband are in their late 40s or early 50s, often with adult children still at home. Her part-time income, along with the good salary earned by her husband, has been enough to pay off a good proportion of the mortgage on their modest semi, which they bought some time ago. Their jobs tend to be office-based or skilled trades. Not much income is left over for savings, which are quite low.

Person Type H25c: Liam and Ashleigh

Generally in their early to mid 30s, Liam and Ashleigh are still living with their parents, principally on economic grounds. They are either still studying, just starting in a low-paid job, or are looking for work. Other than debt from their university days, they are unsophisticated financially, and while their parents are able to give them a roof over their head, they don't have the means to help them out any further financially.

Person Type H26a: Glen

Aged between 35 and 55, Glen has overstretched himself with financial commitments. Living with his wife or partner, he is also likely to have children, some of them adult. With incomes around the national average, they have tended to take out quite large loans and other credit and are now struggling to meet their commitments. They also still have mortgage payments to make on their terraced or semi-detached homes. Most work full-time to try to make inroads into clearing their debts.

Person Type H26b: Maxine

Aged between 35 and 55, Maxine has overstretched herself with financial commitments. Living with her husband or partner, she is also likely to have children, some of them adult. With incomes around the national average, they have tended to take out quite large loans and other credit and are now struggling to meet their commitments. They also still have mortgage payments to make on their terraced or semi-detached homes. Most work full-time to try to make inroads into clearing their debts.

Person Type H26c: Connor and Chloe

Either as students or just entering the workforce, Connor and Chloe are setting out on life. However, they haven't had the luxury of being able to leave home yet - jobs are either hard to come by, or too low paying to make flying the nest worthwhile. Their parents have never been particularly sophisticated users of financial services - they've never had the money to need it - and this trait has been passed on to their children.

Financial Strategy Segments 2011

Person Type H27a: Adrian or Yvette

Adrian or Yvette are singles typically in their late 30s or 40s; a number of them are single parents. With one income just above the average, they have made respectable progress in their jobs. Most have repayment mortgages on semis or terraces of near-average value. They avoid using credit and have managed small savings, and those with dependants try to have critical illness and life cover.

Person Type H28a: Kevin

Kevin is aged between 35 and 55. He is most likely to be unmarried, and either lives on his own or with friends or a partner. His income is below average, but he has the security of owning his own home - perhaps a small terrace bought some time ago - and now has relatively little still to pay off. He makes some use of credit, which is mostly manageable, but savings are very low.

Person Type H28b: Julie

Julie is aged between 35 and 55. She is most likely to be unmarried, and either lives on her own or with friends or a partner. Her income is below average, but she has the security of owning her own home - perhaps a small terrace bought some time ago - and now has relatively little still to pay off. She makes some use of credit, which is mostly manageable, but savings are very low.

Person Type H29a: Garry

Garry and his wife or partner often live with their teenage or adult children. Typically working in manual jobs or perhaps as shop workers, he owns a low-value terrace and still has some way to go with mortgage payments. He tends to use loans, usually for home improvement, and sometimes struggles with credit commitments. Their savings are very low.

Person Type H29b: Dawn

Dawn and her husband or partner often live with their teenage or adult children. Typically working in manual jobs or perhaps as shop workers, she owns a low-value terrace and still has some way to go with mortgage payments. She tends to use loans, usually for home improvement, and sometimes struggles with credit commitments. Their savings are very low.

Person Type I30a: Dean and Terri

Dean and Terri are a very low-income family with school-age children and often with older kids still at home as well. They live in some of the lowest-value council homes. Family members pool income and benefits to get by. There is a high risk of unemployment, and many depend on benefits. Often relying on credit to make ends meet, many will use home collected credit. With unstable income, repayments can become a problem.

Financial Strategy Segments 2011

Person Type I31a: Reece

Reece and his family are striving to lift themselves out of financial difficulties. In his late 30s or 40s, he, his partner and their younger children live in small council-rented houses - often with an adult child still at home as well. Individual incomes are low, and some family members will not be working. Demands often outweigh resources.

Person Type I31b: Sharon

Sharon and her family are striving to lift themselves out of financial difficulties. In her late 30s or 40s, she, her partner and their younger children live in small council-rented houses - often with an adult child still at home as well. Individual incomes are low, and some family members will not be working. Demands often outweigh resources.

Person Type I32a: Danny

Whether in a couple or single, Danny is likely to have kids. He is in his late 30s or 40s and has a very low household income. Single parents may be unable to work because of childcare; others are in low-skilled jobs and don't have job security. However, the majority are just about managing to make ends meet through careful budgeting.

Person Type I32b: Debbie

Whether in a couple or single, Debbie is likely to have kids. She is in her late 30s or 40s and has a very low household income. Single parents may be unable to work because of childcare; others are in low-skilled jobs and don't have job security. However, the majority are just about managing to make ends meet through careful budgeting.

Person Type I33a: Tony

Tony is single and aged between 35 and 55, usually living alone or with their kids in a council flat or terrace. Incomes are low, sometimes through ill health, and there is very little left over after paying the bills. He is amongst the most likely to use credit union facilities. Catalogues help by spreading payments.

Person Type I33b: Lorraine

Lorraine is single and aged between 35 and 55, usually living alone or with their kids in a council flat or terrace. Incomes are low, sometimes through ill health, and there is very little left over after paying the bills. She is amongst the most likely to use credit union facilities. Catalogues help by spreading payments.

Financial Strategy Segments 2011

Person Type J34a: Roderick

Roderick is married, in his late 50s or early 60s and has enjoyed a respectable career. He has shown sound financial management in paying off the mortgage on the family's pleasant detached home and in creating a comfortable pension portfolio. In many cases, he continues to support adult children at home. His wife also works - although this is usually part-time. The future is well set.

Person Type J34b: Janis

Janis is married and in her late 50s or early 60s and still enjoys working, albeit only part-time. Her husband has enjoyed a respectable career and has shown sound financial management in paying off the mortgage on the family's pleasant detached home and in creating a comfortable pension portfolio. In many cases, they continue to support adult children at home. The future is well set.

Person Type J34c: Greg and Beth

Greg and Beth still live with their mum and dad. They enjoy living in the comfortable surroundings in which they were brought up - although in many cases, they are now earning enough to think about setting out on their own. They are likely to have a student loan and some other debt, but their mum and dad have been clued up enough to ensure that they've made a start on saving as well.

Person Type J35a: Trevor

Trevor and his wife are a prudent couple in their late 50s or early 60s who have made the most of what they have to give themselves nice homes and financial stability. They have worked hard, spent modestly, saved and managed to get themselves to the point where they can retire securely. They favour simple savings vehicles such as instant access or regular saver accounts.

Person Type J35b: Sandra

Sandra and her husband are a prudent couple in their late 50s or early 60s who have made the most of what they have to give themselves nice homes and financial stability. They have worked hard, spent modestly, saved and managed to get themselves to the point where they can retire securely. They favour simple savings vehicles such as instant access or regular saver accounts.

Person Type J35c: Adam and Katy

Adam and Katy are either on, or trying to get on the first rung of the career ladder. They are happy living with their parents, in far more comfortable surroundings than they would be able to afford if they were to set up on their own. Predominantly university educated, they are seriously into the internet for arranging their lives, but will trust the wisdom of mum and dad when it comes to financial matters.

Financial Strategy Segments 2011

Person Type J36a: Terrence

Terrence and his wife, usually in their late 50s, have reasonable incomes in their jobs but haven't yet achieved the financial stability that might be hoped for at this stage of life. Outgoings are still high, and often include supporting adult children through studies. They have a tendency to feel overstretched, and savings are consequently limited.

Person Type J36b: Susan

Susan and her husband, usually in their late 50s, have reasonable incomes in their jobs but haven't yet achieved the financial stability that might be hoped for at this stage of life. Outgoings are still high, and often include supporting adult children through studies. They have a tendency to feel overstretched, and savings are consequently limited.

Person Type J36c: Luke and Dee

Luke and Dee are still young but would like to leave home before too much longer. Their parents have done OK for themselves but aren't in too much of a position to help out financially, so anything they do will have to be off their own back. Beyond car insurance and the inevitable student debt, they've never had too many dealings with financial providers, and, unless they are lucky enough to get a scheme through work, resemble their parents in lack of savings and pension provision.

Person Type J37a: Dudley or Glenys

Dudley or Glenys are singles in their late 50s or early 60s who are working towards retirement or have recently retired. They are very aware that without a second income they have to be self-reliant in their retirement preparations. They have mostly paid off the mortgage and, considering their income, have a good level of savings. This practical approach means they will be okay in retirement.

Person Type K38a: Kenneth

Kenneth and his wife are aged between 56 and 65 and often live with a working adult child. They own low-value homes, often ex-council terraces, and may still have some mortgage to pay off. Individual incomes - usually from clerical or manual jobs - are not high, but the fact that two incomes are contributing to the bills means day-to-day finances are okay. Savings are limited to small amounts for emergencies.

Person Type K38b: Ann

Ann and her husband are aged between 56 and 65 and often live with a working adult child. They own low-value homes, often ex-council terraces, and may still have some mortgage to pay off. Individual incomes - usually from clerical or manual jobs - are not high, but the fact that two incomes are contributing to the bills means day-to-day finances are okay. Savings are limited to small amounts for emergencies.

Person Type K38c: Scott and Nicky

Scott and Nicky would dearly love to fly the nest, but due to low paid and insecure jobs, find this impossible. They are better educated than their parents - but in a generation where there is so much competition for top graduates, they often lose out, having to make do with lower paid jobs, with occasional periods of unemployment. At least their income helps to make life more comfortable for the rest of the household as their parents are not well paid either. Savings rates are generally low, and a low-value property is generally the family's main asset.

Person Type K39a: Barry or Carol

Barry or Carol are singles in their 50s and early 60s who are relying on one below-average income. They are unlikely to be working full-time. Some may have a part-time clerical type job; others may have retired early. They own their modest terrace or semi. Their sensible approach to spending has allowed them to accrue modest savings, and they have no use for credit or loans.

Person Type K40a: Winston

Winston is single, aged 55 to 65 and rents a flat or small terrace. Although of retirement age, he tries to work full-time, and gets by on what he is able to earn or receive in benefits, although this can sometimes be a struggle. In the absence of decent savings or pension provisions, his circumstances do not look set to improve.

Person Type K40b: Gloria

Gloria is single, aged 55 to 65 and rents a flat or small terrace. Although of retirement age, she tries to work full-time, and gets by on what she is able to earn or receive in benefits, although this can sometimes be a struggle. In the absence of decent savings or pension provisions, her circumstances do not look set to improve.

Person Type L41a: Ralph and Diana

Ralph and Diana are retired, living on their own or as a couple in expensive properties and have very high levels of savings. They have often been able to retire early and are enjoying a very comfortable lifestyle, with money to spare for holidays and luxuries.

Financial Strategy Segments 2011

Person Type L42a: Maurice and Jeanne

Maurice and Jeanne are a high-income elderly couple who own a very comfortable home and have good savings to use to top up pension income. They often have had the benefit of a company pension; others have purchased an annuity for retirement income. They make high use of credit cards for convenience.

Person Type L43a: Ivor or Dorothy

Ivor or Dorothy are retired singles who live in good homes benefiting from their long-term commitment to retirement saving. They have built up a considerable portfolio of investments and have been financially astute. Overdraft facilities are never used. They have supermarket credit cards and never transfer balances. However, available income is impacted by the fact that they are now on their own.

Person Type M44a: Alfred

Alfred is retired and drawing a reasonable pension. His household income is supplemented by another family member who is still in employment. This may be his wife who is "easing" into retirement; or alternatively younger family members in the household with a full-time job. They own their home and have a good level of savings on top, and can look forward to a secure retirement.

Person Type M44b: Molly

Molly is either retired, or "easing" into retirement in a part-time job. Her husband is likely to be retired already and drawing a reasonable pension. Their household income may also be topped up by younger family members with a full-time job. They own their home and have a good level of savings on top, and can look forward to a secure retirement.

Person Type M44c: Ray and Kay

Ray and Kay earn reasonable incomes, but are still living at home with their parents. For some, this may be out of convenience, but it may also be in an attempt to reduce outgoings to the bare minimum in order to pay off debts run up in the past. Thanks to their parents' prudence and savings, they do have some money to their name in the way of savings, and as a result stand a reasonable chance of paying off the debt eventually.

Person Type M45a: Ira

Ira lives with his wife and stills benefits from two pensions for income. The couple are very careful with their finances and favour insurance brokers and a financial approach grounded in security. They own their own bungalow or semi-detached house.

Financial Strategy Segments 2011

Person Type M45b: Hannah

Hannah lives with her husband and stills benefits from two pensions for income. The couple are very careful with their finances and favour insurance brokers and a financial approach grounded in security. They own their own bungalow or semi-detached house.

Person Type M46a: Harry or Olive

Harry or Olive are elderly singles who live in their own bungalows and semis and have acceptable incomes. They're very uncomfortable with the concept of debt and never use credit. They have some savings that top up their state pensions but most of their assets are tied up in their homes.

Person Type M47a: Albert or Mabel

Albert or Mabel are elderly homeowners, living alone on limited income and savings. They favour simple financial products such as instant access savings accounts and are reluctant to switch providers.

Person Type N48a: Frederick

Frederick and his wife own a modest but pleasant terrace or semi. Their individual incomes are low but when pooled together give sufficient for daily needs. They do not trust the internet and prefer face-to-face transactions.

Person Type N48b: Lilian

Lilian and her husband own a modest but pleasant terrace or semi. Their individual incomes are low but when pooled together give sufficient for daily needs. They do not trust the internet and prefer face-to-face transactions.

Person Type N49a: Raymond

Raymond is in his late 50s or 60s and is often living in challenging circumstances. Incomes are very low either because suitable jobs are scarce or ill health has forced early retirement. With very little in the way of savings to fall back on, loans can be required for relatively low amounts.

Person Type N49b: Norma

Norma is in her late 50s or 60s and is often living in challenging circumstances. Incomes are very low either because suitable jobs are scarce or ill health has forced early retirement. With very little in the way of savings to fall back on, loans can be required for relatively low amounts.

Financial Strategy Segments 2011

Person Type N50a: Arnold or Bessie

Arnold or Bessie are elderly singles living in council flats or bungalows. They favour branch or post office banking, use mail order catalogues and are dependent on the State Pension. Frugality and careful budgeting allow them to make ends meet.

Financial Strategy Segments 2011

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