

**Name: Jack**  
**Job: Plasterer**

Contract type: Self-employed  
Problem: Cancer



## How would you cope?

### Have you really ever thought about your current and future financial situation?

What would you do if your income stopped due to illness, accident or injury? Read Jack's story and ask yourself – **"how would I cope?"**

**Jack is a 28 year old self-employed plasterer who works for a large building firm,** however, as a contractor he is not entitled to the benefits offered by the building firm to their permanent employees. As he is self-employed he is also responsible for paying for his own tools and van.

Jack and his partner who is a stay at home mum have a 2 year old boy, live in a rented two bed flat and are trying to save for a house deposit. They try to have a night out once a week and Jack attends the gym. On Sundays he plays football followed by the pub. Their out goings are rent & utilities, phone, Sky, gym membership and lots of things for their little boy.

**Jack is the sole provider for his family, and currently has £7,000 saved for a house deposit.**

### What if Jack was taken ill or injured?

Jack hadn't been feeling well for a few weeks and has now been diagnosed with bowel cancer which requires immediate treatment. This means he will not be able to work for an unknown period of time.

As Jack is self-employed he is not eligible for Statutory Sick Pay. Since he won't be working while undergoing treatment it means he has no income to support his family. They will have to rely on what they have saved for their house deposit to be able to pay their rent but that isn't a viable long term solution.

### How long before Jack and his family were in financial difficulty?

**3 months**



#### Month 1:

Jack has enough money to cover the rent and basic bills this month, all other spending has been stopped. He is not entitled to Statutory Sick Pay.



#### Month 2:

Jack has had to use the house deposit money to cover the financial commitments this month.

#### Month 3:

Again Jack has had to use the house deposit money to cover the financial commitments this month.



#### Month 4:

Jack is seriously ill and so it looks like he won't be able to work for at least 6 months. The money he has saved is the only way he can support his family, but it won't last 6 months... He's now in severe financial difficulty.

Jack's family financial outgoings are similar to that of the average UK household.

### What the UK average family spends in a week

Family Spending – ONS 2020	Average
Travel and transport	£80.20
Recreation and culture (holidays, pets, tv, cinema etc)	£76.90
Fuel and power	£79.40
Other expenditure items (council tax etc)	£77.20
Food and non-alcoholic drinks	£61.90
Restaurants and hotels	£51.30
Miscellaneous goods and services	£45.50
Household goods & services	£40.80
Clothing and footwear	£24.40
Communications	£21.30
Alcohol & tobacco	£13.00
Health	£8.00
Education	£5.70
<b>TOTAL</b>	<b>£585.60</b>

This financial summary excludes housing costs which need to be added (average UK rental is £149.60 per week, and average UK mortgage is £156.50 per week).

**£585.60** is what the average UK Family spends each week

## If Jack had income protection...

**He could have a benefit paid to him which would cover his essential financial commitments.** The benefit amount and deferment period would have been agreed when he chose his plan, allowing him to budget accordingly and focus on returning to full health, without the additional worry of how to pay the bills and keep a roof over his family.

Plus it means he wouldn't have to touch the money saved for the house deposit, meaning once he was back to full health and work they could continue to save for their future.

## Why Jack should have income protection from Holloway Friendly?

**Jack could have chosen a short term plan paying a claim for 1 or 2 years, or a long term plan set up for the period until his retirement,** these could have provided him with an income when he really needed it.

He could start receiving his income protection benefit from the end of his deferment period which can be 1, 4, 8, 13, 26 or 52 weeks depending on the Plan he has chosen, **so he could receive his benefit at the end of month 1 of sickness, if he had set this as his deferment period and not have to rely on his house deposit savings at all.** This would also mean that he could concentrate on getting better without worrying about how he would provide for his young family.

**For more information about Holloway Friendly and our products please speak to your Financial Adviser or visit [www.holloway.co.uk](http://www.holloway.co.uk)**

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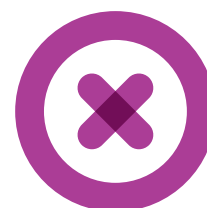
## How long before Jack and his family were in financial difficulty?

**3 months**



### What are his minimum financial commitments?

- Rent
- Utilities – water, gas, electric and council tax
- Home & van insurance
- Food
- Any contracts he is unable to cancel or reduce payments on e.g. mobile phone



### What could be cancelled or reduced?

- Gym contracts
- Internet/Sky/Netflix
- All going out
- Clothing & footwear