



PRUDENTIAL

SOGGY LETTUCE
REPORT 2004

ARE WE A NATION
OF WASTERS?

INTRODUCTION BY ANGUS MACIVER

UK adults waste £80.6 billion in unused goods and services each year



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Welcome to the first Prudential Soggy Lettuce Report. During April 2004 Prudential interviewed over 1,000 adults from across Great Britain to explore how much money people waste in their everyday lives. We investigated where we waste the most money, how we feel about it, and what would we do with the money if we weren't literally throwing it in the bin?

The Prudential 'Soggy Lettuce Report' found that the average British adult wastes a massive **£1,725¹** on food, luxury items, entertainment, travel, gadgets and hobbies each year. Combined, our nation of 'wasters' throws away a staggering **£80.6 billion¹** every 12 months.

When put in perspective £80.6 billion¹ would:

- Cover the Government's expected expenditure this year on transport, defence, industry, agriculture, employment, housing and the environment *combined*²
- Pay the annual council tax for every household in Britain four times over³

- Pay the current wages at all Premiership football clubs for the next 114 years⁴
- Buy enough Big Macs to stretch around the Earth's equator 107 times⁵

On an individual level an extra £1,725 a year would also significantly improve our personal finances. It would easily cover the average credit card debt of £1,140⁷ and would be a useful annual investment. In short our wastefulness prevents us from getting ahead.



DONNA DAWSON
Psychologist

Donna Dawson, a psychologist, specialising in personality and behaviour, analysed the findings of the Soggy Lettuce research. She says: "**£80.6 billion is an astonishing amount of wastefulness. It is only when we add up the results of every person's actions that we can see the immensity of it.**"

Donna has identified five types of Status Waster by analysing the Prudential Soggy Lettuce Report:

1) Reckless Hedonists	this 'waste personality type' is out to enjoy life, and is more concerned about their pursuit of pleasure and fulfilment than wastage. Keeping up with the Jones's or with their peer group is a strong motivating force as they are ambitious, competitive, socially aware and short-sighted.
2) The Guilty Consumers	this 'waste personality type' probably spends more money than they should, impulsively and secretly, and then feels guilty when it comes to light. They hide some of their purchases from their partner for fear of reprimand. They often get more pleasure at the exact moment of purchase than they do afterwards.
3) The Self Rewarders	often stressed-out with money worries and tired of penny-pinching to make ends meet. They are resentful of others who appear to have more to spend, and envious of their material possessions. They tend to overspend and be wasteful for 'emotional' reasons.
4) The Out-of-Controllers	have little idea where their money goes; keeping track of their finances isn't their strong point. They may try to stick to a budget, but 'impulse buying' and the demands of others often sabotage their efforts.
5) Young, Free and Reckless	this 'waste personality type' are located primarily in the 16-to-34 age-group. This age-group has little or no financial responsibility. They are intent on having as much fun as possible before settling down.



SO WHERE DOES IT ALL GO?

LETTUCE LETS US DOWN

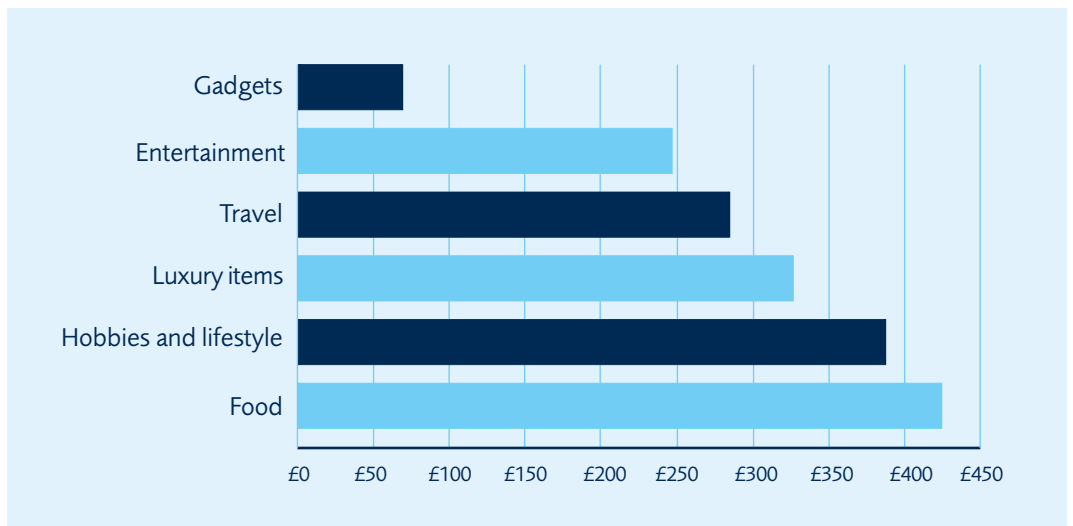
More money is wasted on food each year than any other category of goods or services – a whopping £424 per person.

Overall, one-third of people admitted throwing away food regularly. Half admitted to throwing away frozen food that was too old to eat and

46% to regularly over ordering takeaways and having to discard the leftovers.

We asked which of the following foods people throw (at least part of) away each week. Lettuce it seems is the food we most regularly discard.

Average annual waste per person





SO WHERE DOES IT ALL GO? CONTINUED

SHOPPING LIST OF SHAME

% of people who throw the item away in an average week

Lettuce / bag of salad	61%
Loaf of bread	60%
Fruit	57%
Pint of milk	45%
Cooked meat	43%
Packet food e.g. biscuits	42%
Spreads and dips	37%
Cheese	33%
Prepared meals	24%
Fresh meat and fish	23%
Unfinished bottle of wine	17%

HOBBIES AND LIFESTYLE

Not far behind food wastage is the money we throw away on new hobbies that are never seen through. A total of £378 is wasted on this per person, per year.

This includes money spent on new kit or gear for a hobby which was quit shortly afterward, under-utilised gym and club memberships, along with DIY products and evening courses that were never completed. Twelve per cent even admitted to wasting money on toys for their pets.

LUXURY ITEMS

At the luxury end of the market, females and singles are far more likely to fritter away their money. The lure of accessories proving far too much to resist.

Sixty three per cent of females admitted to buying clothes on sale they had never worn or only worn once or twice, compared with 42% of men. Fifty six per cent of women have bought shoes and 42% toiletries they have never used or only used a couple of times. This compares with 30% and 18% of men respectively.

Four times more women (28%) than men (7%) also admitted to buying accessories (for example, shoes and handbags) in a sale that didn't match any of their outfits.

One thing both sexes share however is a sense of guilt. One in five (21%) Brits admit they have justified or hidden an expensive purchase from their spouse or loved one.

All this waste on luxury items adds up to £325 on average per person year. Women however waste over £381, which is significantly more than men who bin £287.

Single people however are the biggest wasters on luxury items with £480 going into a giant hole in the ground annually. This is nearly double the amount of those who are married who only waste £282.



SO WHERE DOES IT ALL GO? CONTINUED

MONEY MOVING

Taking a taxi when you have a valid public transport pass may be considered lazy. Having to buy another travel pass because you left yours behind is certainly forgetful.

These aren't the world's greatest sins but on average they cost us a combined amount of £223 a year.

Together with the one in four of us who receive parking fines, the 17% who confessed to receiving speeding fines and even the 2% of us who purchase low-cost airline flights then don't use them, we are wasting a fortune.

Combined, our average annual wastage on travel in the UK is £284 per person. This works out to about £13.2 billion nationally, or over 80% of the planned government expenditure on transport for the coming year⁷.

I'M NOT AMUSED

You wouldn't be either if you knew that the average British adult wastes £246 each year on entertainment.

The main areas of entertainment waste are as follows:

- A third (33%) admitted they have bought books they've never read
- One quarter have bought DVDs or CDs they've never watched or listened to
- Over half (51%) have sought no reduction in a restaurant bill despite not enjoying the food
- Nearly a third (29%) confess to ordering too much in the pub and not finishing their drinks
- A good deal of us (22%) also regularly pay late return fees on rented DVDs, videos and games

BOYS TOYS

Men are most likely to be lured by electrical gadgets and computer equipment. They then quickly leave them to gather dust.

The average British male wastes £94 annually on these toys, about three times as much as females (£32). The total average waste is £68.



HOW DO WE FEEL ABOUT WASTE?

The Prudential Soggy Lettuce Report shows that we are an extremely wasteful nation. Given the hardship and poverty faced by many in the UK and around the world we asked how people feel about the fact they waste so much.

Perhaps not surprisingly, 29% said it didn't bother them. Embarrassment was the second highest reaction with 16% of British adults admitting they felt guilty. A further 9% felt resentful and stressed, whilst 4% felt powerless to stop it and an equal number said they could afford to waste money.

Interestingly, when we asked why people waste money, a significant 13% admitted they get some pleasure out of a little waste.

WHICH GENDER WASTES THE MOST?

Chances are you think it is women. You'd be wrong. Men waste on average £240 more than women each year. In fact as the table below shows, men are more wasteful than women in five of the six categories measured.

Table of the Sexes

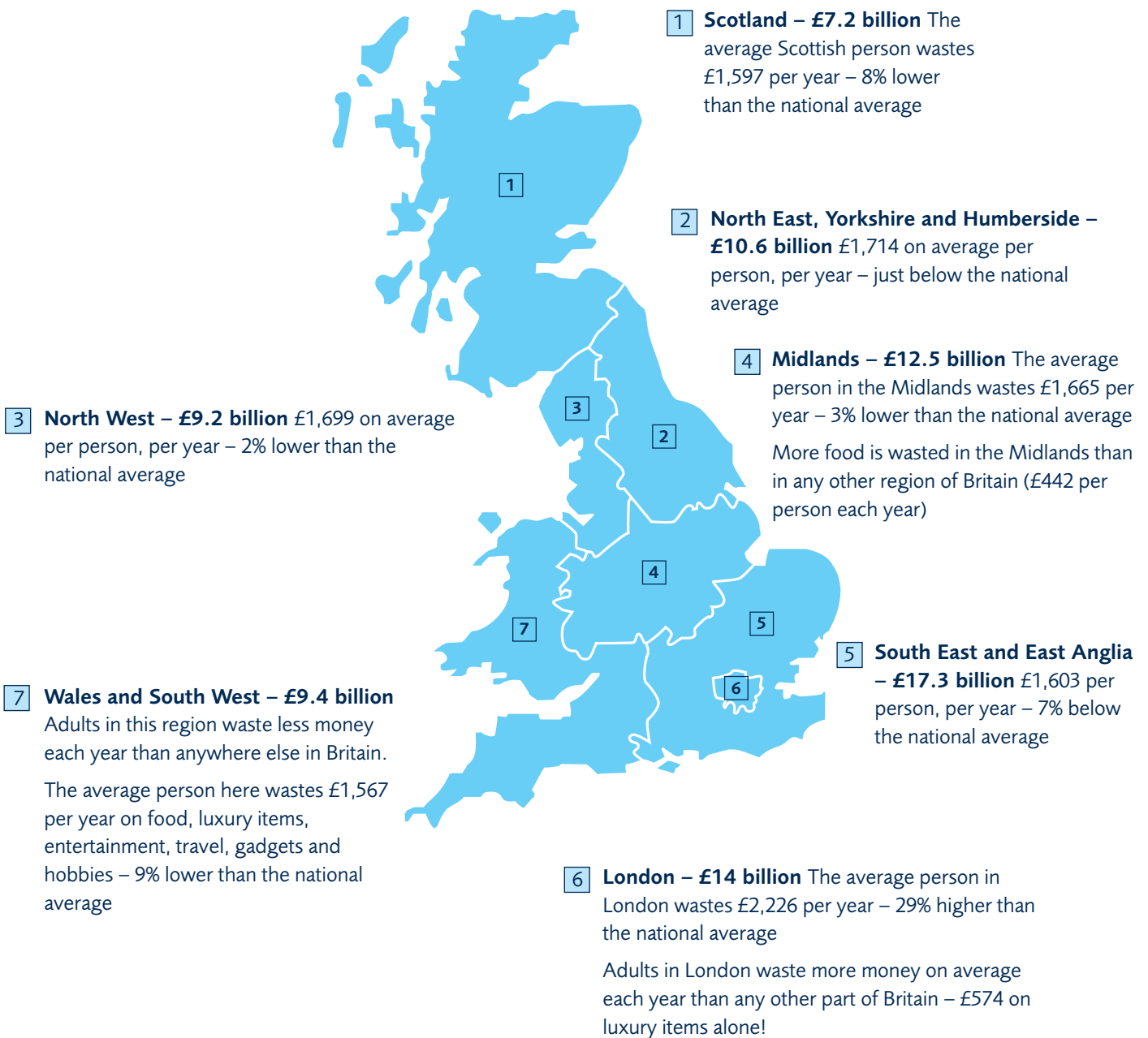
	Male	Female
Food	£467	£387
Luxury items	£287	£381
Gadgets	£94	£33
Entertainment	£280	£206
Hobbies	£400	£353
Travel	£313	£241
OVERALL	£1,841	£1,601

This contrasts with our perceptions. When we asked people which was the most wasteful gender, both men and women fingered the fairer sex.



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THE REGIONAL STORY



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THE REGIONAL STORY CONTINUED

Breakdown by Region

£ (all figures rounded)	National Average	Scotland	North East/ Yorkshire & Humberside	North West	Midlands	Greater London	South East/East Anglia	Wales & SouthWest
Food	424	438	413	435	442	438	421	379
Luxury	326	284	301	310	274	574	287	266
Gadgets	68	44	97	38	80	78	60	60
Entertainment	246	247	286	22	201	294	267	180
Hobbies	378	361	325	353	354	528	335	418
Travel	284	223	292	335	314	314	233	264
Total	1,726	1,597	1,714	1,699	1,665	2,226	1,603	1,567
Population	46.7m	4.5m	6.2m	5.4m	7.5m	6.3m	10.8m	6m
Waste	80.6bn	7.2bn	10.6bn	9.2bn	12.5bn	14.0bn	17.3bn	9.4bn



A DEEPER LOOK – REGIONAL WASTERS?

By Donna Dawson

The idea of being able to "waste" money or resources is psychologically comforting, as it creates a margin in the individual's view between merely surviving and 'living well'. The degree of ability to 'waste' shows to yourself and to others how well you are doing. It is reminiscent of the actions of certain north-eastern American Indian tribes who hold huge "pot latches" for their local community, in order to give away material goods to show how wealthy they are.

Easy access to credit combined with the continued rise in house prices means that people can afford to indulge themselves now, rather than wait. The idea of saving for what you want and avoiding credit has been slowly eroded since the "Have-it-now, Greed-is-Good"

Eighties. The culture of "live-for-today" has also been encouraged by the uncertain times that we live in politically – especially since '9/11'. People are much more aware of their own mortality and of the frailty of life, and are therefore more willing to treat themselves and less willing to save for a rainy day or tighten up to avoid waste.

The struggle to "keep up with the Joneses" has become 'no contest': Many of us want what the Joneses have, when the Joneses have it, if not before! It is a psychological truth that the more an individual experiences a degree of economic difficulty, the more he/she will feel the need to comfort spend to try and raise his/her mood. Often it is those who can least afford it that find themselves in the most debt.



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A DEEPER LOOK – REGIONAL WASTERS? CONTINUED

ATTITUDES TO WASTE

In Scotland, people appear to be torn between pretending that wasting things doesn't bother them (34%) and protesting that they aren't guilty of waste (33%). In the Northeast/Yorkshire/Humberside region they protest that they aren't guilty of waste (38%), but these are also the most likely regions to succumb to peer pressure all the time (by twice as much as the other regions). This compares with the East and West Midlands, which are the most likely regions to sometimes give in to peer pressure. The Northwest and the North are very defensive, with both regions adamant that they aren't guilty of wasting, and that even if they did, that it "doesn't bother them", as they have more important things to worry about in their lives.

When asked what they would do with the money they had wasted if they could have it again, the response of the Scots and the northerners was interesting. The North is torn

between treating themselves (25%) and saving/investing the money (24%). Scotland is slightly more likely to save/invest (28%), than to spend it on themselves (26%), but only by 2%. The Northeast/Yorkshire/Humberside regions and the Northwest both agree that they would treat themselves, by 3% more than they would save/invest the money.

It is interesting that these northern regions blame women for being guilty of the most wastage. In Scotland and the Northeast, women are blamed by 25% more than the men are blamed for wasting money/things; in the North, they are blamed 26% more, and in the Northwest, by 28% more. Compare these figures to Greater London (16%), the Midlands and the Southeast and Anglia (both 18%). The only other high-scoring regions against women are Wales (29%), and the East & West Midlands (27%).



A DEEPER LOOK – GENDER

By Donna Dawson

The research shows that men have no idea how wasteful they really are but have bought into the myth of women being more wasteful because of their reputation for being shopaholics. Men blame women for waste by 39% more than they blame themselves, while women blame themselves for "wasting" by 8% more than they blame men. So both sexes buy into the idea of 'women being more wasteful'. However, men seem to be aware on a deeper level that they are actually the more wasteful sex, because when asked in the survey if they could cut down on the waste and spend their money better, they agreed to this statement by 10% more than the women did.

Men admit that they are more susceptible to peer pressure (by 5% more than women), and so the "more toys for the boys" theory, where men compete with each other to prove how successful they are, could be at work here. Women are adamant that they are 'not wasteful', but this is closely followed by the guilty admission that they 'don't mean to be wasteful', if they are.

As women are more likely to be portrayed as out-of-control with money in our society, it is not surprising that women should query their own personal level of control. It is interesting that 'men' put these two statements the other way around: first, that they 'don't mean to waste', and second, they bluster that 'they are not wasteful'! It is as if the moment the 'truth' hits them, they have to go into denial about it! This idea is backed up by men's final statement: that the idea of waste doesn't bother them, as they have more important things to worry about. In other words, provide a defence, and then grow a thick skin about it! It is another psychological truth that men hate to appear vulnerable about anything.

When it comes to handling the money that they could have saved, both men and women are torn between saving/investing the money and spending it on themselves. It seems that being the less wasteful sex (on the whole), doesn't make women better at saving. Again, the same forces motivating the regions are at work here: the carefree attitude to credit and spending, and the need to lift their mood, provide comfort, and create a material distraction in an increasingly insecure, hostile world.



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OPPORTUNITY COST

The good news is that if we weren't wasting the money, 24% of people said they would save or invest it. Paying off personal debt also ranked highly with a further 14%.

However given the huge numbers of pensioners who are struggling to make ends meet, it is concerning that only 3% would pay more into their pension. Nearly three times as many (8%) would give it away to charity or their families.

Many also have a 'live for the day' attitude and said they would simply treat themselves (19%).

HOW WOULD PEOPLE USE THE MONEY IF THEY WEREN'T WASTING IT?

Save / invest	24%
Treat myself	19%
Pay off personal debt	14%
Give it away	8%
Pay off mortgage	8%
Pay more into my pension	3%

A FORTUNE GOING TO WASTE

Over 40 years the annual amount of money wasted would add up to over £69,000 per person.

At 6% AER (Annual Equivalent Rate) this adds up to over £274,000⁶ at retirement. Even if we saved half that amount it would add up to over £137,000⁶ at the same rate. In short our wastefulness is preventing us getting ahead.

Spiralling credit card debt is another problem which could be eliminated if people wasted less. The average credit card debt in the UK now stands at £1,140⁷, significantly less than the average amount wasted each year.

With increased awareness and planning, each of us can significantly improve our financial position by cutting back on the money we waste.

SO CAN WE BRITS KICK OUR WASTEFUL WAYS?

The Plan from the Pru

The Plan from the Pru Planning Guides consist of 18 free Pocket Planners to help customers think about many of life's key financial decisions and plan for a more secure future. For people uncertain about which Planners are relevant for them, a separate guide, How to Plan Your Money, describes all the Pocket Planners on offer. Prudential is urging everyone to take more control of their financial future by calling 0800 000 000* or visiting www.pru.co.uk/plan.

NOTES TO EDITORS

- 1 Research: Conducted by TNS, 1010 adults aged 16+ were interviewed between 9th and 11th April 2004. Total waste based on 16+ population of 46.7m.
- 2 Source of expenditure: HM Treasury, 2004-05 near cash projections.
- 3 Source of taxes: HM Treasury, 2004-05 near cash projections.
- 4 Source: Latest Deloitte and Touche Sport, Football Finance Report, published July 2003. Gives total premiership clubs salaries and wages as £706m.
- 5 Based on £1.88 price of a Big Mac and it's box being 10cm in length. $10 \text{ cm} = 0.1 \text{ m} = 0.0001 \text{ km}$. $42,925,531,914 \text{ boxes} @ 0.0001 \text{ km each} = 4,292,553.1914 \text{ km}$. The earth's circumference = 40,075.16 km. Therefore Big Macs around the Earth goes $4,292,553.1914 / 40075.16 = 107$ times.
- 6 Based on 6% compound interest, with fixed premiums of £143.81 and £71.91 paid monthly in arrears
- 7 Source: Datamonitor.
- 8 Transport expenditure is £16b; Source: HM Treasury, 2004-05 near cash projections.



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