

General Studies Coursework

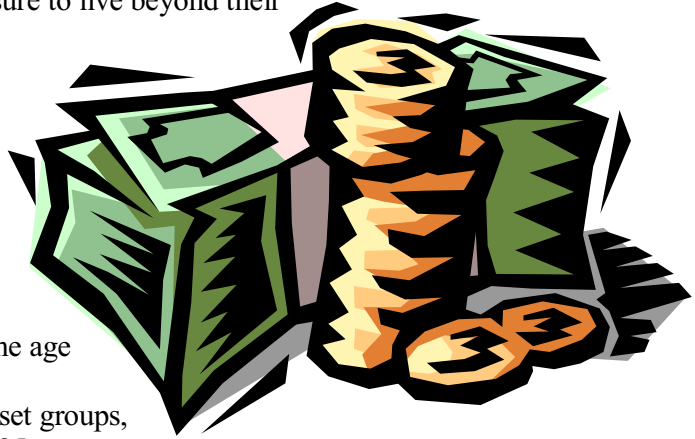
“Young People are under intense pressure to live beyond their means.”

Investigate the extent to which this pressure on them to consume and their budgets come into conflict.

This title can be broken down and each bit can be explained.

Young people are people from under the age of 13 to 25 years old.

Young people can be sub divided into set groups, under 13, 13-15, 16-17, 18-21 and 22-25.



Children under 13 are completely dependant on parents. They have no means at all as they are too young to work.

13-15 year olds very little means to live on. They may have small jobs such as paper rounds or baby-sitting, but these are not very well paid and that is it. They are still very dependent on parents for most things but have small amounts of money to spend for themselves.

16-17 year olds have slightly higher disposable incomes. Many have Saturday jobs etc, working for a few hours a week. They are still dependant on parents. They are given a National Insurance Number and may have debit or Solo cards, so they're not actually spending cash.

18-21 year olds can start receiving adult finance, credit cards, loans, student loans and can become seriously in debt. During Higher or Further Education 'living beyond your means' is so easy to become in debt, they don't earn much but still spend lots. They want flash cars, designer clothes, to go out every night and spend lots on alcohol etc and they cannot afford this.

22-25 year olds have finished Higher or Further Education and have started looking for jobs. They may want cars, insurance, houses, mortgages, and children. Parents want the best for their children so they spoil them even when they cannot afford it.

Most people have their greatest personal disposable income between leaving school and starting a family.

Intense pressure is when people are very pressurised to do or buy something etc. This pressure could come from a variety of sources including media and advertising companies, banks, government and even your family.

Living beyond your means, sometimes means is the amount of money that someone earns and what they can do with that money. So living beyond your means is spending more than you earn or doing things that you cannot afford. Basically, living beyond your means is getting into debt you cannot pay back or get out of.

The media and advertising is a big factor in causing people to live beyond their means. People have certain essential needs like food, shelter and clothing. Wants, like designer clothes or bigger cars, are desirable, if unnecessary. Advertising focuses on wants not needs, to encourage consumption and increase production and profit. They may see something on the TV or in a magazine promoting new products etc, they may then feel they have to go out and get to keep up with changing fashions and friends even though they know they may not be able to afford it.

The development of teenage fashion may also mean more people live beyond their means. Fashions are always changing so people are constantly going out to buy fashionable things, but the market will change again fairly quickly, so people have to go and buy something else again. Fashion, style and the 'right label' are yardsticks for success.

Once you reach the age of 18 years old, you are under pressure to go to University. This can be very expensive, over one thousand pounds a year just for tuition fees. On top of this you may need to pay for a room, food, books etc. It all adds up and can easily be over five thousand pounds! The maximum student loan that you can take out is £3905. This means a debt of over two thousand pounds can easily be accumulated in one year. Each year the maximum student loan you can take out decreases slightly. So by the end of a three-year course at university you could end up with a ten thousand pound loan and still be thousands of pounds in debt! But people are still pressured to go to university by parents, schools and the government in order to get a better career later in life. Many students have had jobs before they started university but instead of saving it they usually spend it. So when they go to university still try to live up their social life even if they don't have the money to.

There is now a delay in entering the labour market as more people are choosing to get better qualifications by staying on at school or college etc. This means people generally have less money to spend on luxuries or their social life. But this doesn't stop them spending money they haven't got.

Many people can benefit from the high spending of the youth market. These can obviously include shops, as many young people want to keep up with latest fashions. Also benefiting are clubs, pubs, cinemas etc, as many young people spend large proportions of their income on their social lives. When loans or finance plans are taken out high interest rates can benefit the banks or the lenders. The government may also benefit as everything you buy is taxed by VAT. With more people going to university the labour market is also getting more skilled.

To help people to stop living beyond their means a number of things could be done. These would include rising the age of when you can receive adult finance such as credit cards etc. as interest is very high. More loans and grants could be offered to

students and people going to university to help them through the courses with as little debt as possible. Young people should also avoid finance plans on things such as cars and computers as there is also a high interest rate on these. For many people expenditure needs to be cut, but overall, careful planning is needed.