



Debt Management Helps Borrowers Cope with Tough Times

With the Governor of the Bank of England warning that 'we face the most difficult economic challenge for two decades', debt management company Gregory Pennington stresses the importance of finding the right debt solution.

Greater Manchester, United Kingdom, July 10, 2008 --(PR.com)-- In response to the recent speech by Mervyn King, Governor of the Bank of England, debt management company Gregory Pennington advised consumers to prepare for a 'squeeze on real income growth'.

Addressing the Lord Mayor's Banquet for Bankers and Merchants of the City of London, Mr. King had pointed out that 'a slowdown in the economy this year ... will be necessary to dampen price and wage pressures', and that the 'squeeze on real take-home pay will arguably be an even more significant restraint on consumer spending this year than the credit crunch'. The good news was that 'although inflation in the UK will rise in the short term, inflation will then fall back'.

"For individual borrowers," said a spokesperson for the debt management company, "no amount of macroeconomic factors can have the same impact as watching the price of petrol or food spiral, or being told not to expect significant pay rises. For someone struggling to manage their debts, the thought of waiting for prices to come down, rather than calling for their income to rise, is hard to swallow."

However short-lived the rise in inflation, its impact is sure to be felt, particularly in households whose budgets are already stretched to breaking-point: "As a debt management company, we're expecting increased demand for our [debt management plan](#). We're already helping over 40,000 people manage their debts - asking creditors to freeze interest, waive charges and accept lower monthly payments - and that number is likely to grow as more and more people feel the effects of this 'squeeze'.

"That doesn't mean a debt management plan is always the best route out of debt. Depending on the individual's circumstances it may make more sense to consolidate their debts, or look into IVAs (Individual Voluntary Arrangements). And homeowners may have more options if they own equity in their home: rather than entering a debt management plan, it may be advisable to consolidate their debts through a remortgage or secured loan.

"In today's troubled economic environment," the debt management company's spokesperson concluded, "it's more important than ever for borrowers to talk to a professional debt adviser who understands conditions in the credit market and can help them identify the best way forward."

About Gregory Pennington

Gregory Pennington is part of the Think Money Group, one of the UK's leading financial solutions providers. Think Money is headquartered in Salford Quays, Manchester, and employs around 600 employees to deliver a comprehensive range of debt, loan and banking solutions. It defines its mission as 'To educate, rehabilitate and advise on all aspects of financial management'.



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