**Press Release – The Money Charity – For Immediate Release**

(BEGINS)

**Rising Inflation And Falling Wages Spell A Financially Worrisome Christmas For UK Consumers**

**The Money Statistics December 2022**

**Sharp increases in the cost of living, coupled with a real terms fall in wages and existing Christmas spending pressures are causing high levels of financial anxiety, according to the December 2022 Money Statistics, produced by The Money Charity.**

The price of traditional Christmas food staples such as turkey, pigs in blankets, carrots and roast potatoes is reported to have risen on average by **18%** in the last year[[1]](#footnote-1). With the general inflation rate for food and non-alcoholic beverages at **16.2%**[[2]](#footnote-2) (meaning that the price of these items has risen on average by 16.2% in the last year), it comes as no surprise that **54%** of UK adults have reported feeling either anxious, depressed, filled with dread, unable to cope or a combination of these emotions due to concerns about their finances[[3]](#footnote-3).

Christmas is a time of year when feelings of being worried about money may be particularly strong, with the Bank of England reporting that households will spend on average an extra **£740** in December than they would in other months, which is a **29%** increase on the average usual monthly spend[[4]](#footnote-4). It only makes matters worse that rates of pay are falling in real terms. In the last year, regular pay decreased by **2.9%**,while total pay fell by **3.0%**. Average weekly pay is now **£583**, or **£624** including bonuses; an annual salary of **£30,399**,or **£32,537** with bonuses[[5]](#footnote-5). This means that wages are failing to keep up with rising costs.

As expected, it seems as though many people are turning to credit to cover this shortfall in income, with some reports suggesting that **42%** of UK adults have had to borrow money this year in the face of rising costs[[6]](#footnote-6). However, a small silver lining emerging in this month’s figures comes somewhat surprisingly from rising interest rates. If someone on the average salary saved **7.8%** (which is the average household saving rate) of their income in an average instant access savings account for a year, they would receive **£21.72** in interest after tax. If they saved it in an average cash ISA, they would receive **£45.68[[7]](#footnote-7)**. Despite this small piece of good news, it may be the reality that savings are simply not high on the agenda for many people this month as Christmas becomes increasingly expensive due to inflation.

**Michelle Highman, Chief Executive of The Money Charity says:**

The increased returns that consumers can expect to receive from savings accounts at the moment may offer some small relief from the seemingly endless barrage of bad news that seems to be the norm lately. However, for many people savings simply won’t be a realistic priority this month. There is often a huge pressure at Christmas to spend money on gifts, food and socialising, and as we have seen from the figures, it looks as if many people will be using credit to keep up with this expectation. This year, with the cost of living already so high, we would encourage people to carefully consider their Christmas purchases. Many of us will be keen to partake in the festivities after the last couple of years have been dampened by the pandemic, however doing so shouldn’t mean sinking further into debt.

**Other Striking Numbers from the December Money Statistics:**

* The average total debt per household, including mortgages, was **£65,746** and per adult was **£34,547** in October 2022,around **107.4%** of average earnings. *(P5)*
* Cash machine transactions were worth an average of **£52.50** per transaction in November 2022. *(P14)*
* The UK economy grew by **0.5%** in October 2022 and is now estimated to be the same as its pre-pandemic level. *(P19)*

**Get the full picture and many more fascinating facts about money in the UK in our monthly** [**Money Statistics**](https://themoneycharity.org.uk/money-statistics/)**.**

Notes to Editors

* For over 25 years, The Money Charity has been the UK’s Financial Capability charity. We proactively provide education, information, advice and guidance to people of all ages, to reach our vision of seeing everyone achieving Financial Wellbeing by managing their money well. We empower people across the UK to develop the skills, knowledge, attitudes and behaviours to make the most of their money throughout their lives. Find out more at <https://themoneycharity.org.uk/>
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* Any media or press enquiries should be directed to our Communications & Marketing Manager, James Yelland, on [james@themoneycharity.org.uk](mailto:james@themoneycharity.org.uk)

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1. (The Money Statistics December 2022 Full Report, P4.1) [↑](#footnote-ref-1)
2. (The Money Statistics December 2022 Full Report, P19) [↑](#footnote-ref-2)
3. (The Money Statistics December 2022 Full Report, P4.1) [↑](#footnote-ref-3)
4. (The Money Statistics December 2022 Full Report, P4.1) [↑](#footnote-ref-4)
5. (The Money Statistics December 2022 Full Report, P19) [↑](#footnote-ref-5)
6. (The Money Statistics December 2022 Full Report, P4.1) [↑](#footnote-ref-6)
7. (The Money Statistics December 2022 Full Report, P16) [↑](#footnote-ref-7)