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

(BEGINS)

**Financial Uncertainty Set For Foreseeable**

**The Money Statistics July 2021**

**A mixed financial picture continues this month, with promising signs of economic recovery tempered by the continuing effects of the pandemic, according to the July 2021 Money Statistics, produced by The Money Charity.**

This month’s figures show plenty of positives for many UK households as the economy grew by **0.8%**[[1]](#footnote-1) in May 2021, while average pay including bonuses for those in work grew by **7.3%**[[2]](#footnote-2)(**5.6%** after inflation) in the year to May. Employment rates have been a concern for many months now, but from March to May 2021, unemployment fell by **68,000**[[3]](#footnote-3) compared with the previous quarter.

Many households also continued their encouraging lockdown habits of increased saving rates and decreasing credit, with the average household savings rate increasing to **19.6%**[[4]](#footnote-4) in January to March and outstanding credit card debt falling by **13.5%**[[5]](#footnote-5)in theyear toMay 2021. These strong averages reflect the fact that for many households in work, or fully protected by the government’s support measures, incomes and finances have actually improved during the pandemic.

However, as so often in recent months, most good news has to be balanced against the bad. While the economy has grown, in May 2021 it was still **3.1%**[[6]](#footnote-6) smaller than in pre-pandemic February 2020. Average real pay was also less in real terms than it was before the 2008 financial crash, while unemployment continues to particularly affect young people, with **11.6%**[[7]](#footnote-7)of 18-24 year-olds unemployed in March to May 2021.

Consumer prices rose by **2.5%**[[8]](#footnote-8) in the year to June 2021 and one-fifth of people in the second-to-lowest income group are reported to have taken on more debt as a result of the pandemic. An additional **500,000**[[9]](#footnote-9) people are expected to fall below the poverty line after the upcoming £20 per week cut to Universal Credit, meaning significant numbers of UK households remain in a highly precarious financial situation.

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

“This month’s Money Statistics show the challenges that lie ahead as we continue to navigate the ever-changing pandemic situation. While there are some encouraging signs, these remain qualified by the financial difficulties faced by those who have lost work, gone into debt as a result of the pandemic and/or who face a potentially difficult recovery period.

“Uncertainty is a significant challenge to us all in managing our money well, but we remain dedicated to our mission of working with people of all ages, supporting them to increase their Financial Capability and develop their Financial Wellbeing. It’s only with that help, support and encouragement that we can expect to see the UK find its financial way forward.”

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

* In May 2021 there were **10% fewer** under-25 year-olds on the UK payroll than in January 2020. The number of hospitality workers was **17% down** on January 2020. *(P4.1.)*
* Government debt increased by **£630 million** a day in the year to June 2021. *(P4.)*
* On average, a UK household spends **£4.33** a day on water, electricity and gas.*(P14.)*

**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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  + You clearly acknowledge The Money Charity as the providers of the information and point your audience towards signing up themselves for the monthly report; and
  + You do not make substantive adjustments to the presentation of the statistics, such as amending the statistic phrasing, or for example, repurposing the statistics into a format they are not appropriate for, such as an editorial/’opinion piece’ from the charity.
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* If you’ve any questions, comments, or want any information about the source of these statistics, please contact us through [hello@themoneycharity.org.uk](mailto:hello@themoneycharity.org.uk)
* 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 July 2021 Full Report, P19) [↑](#footnote-ref-1)
2. (The Money Statistics July 2021 Full Report, P19) [↑](#footnote-ref-2)
3. (The Money Statistics July 2021 Full Report, P20) [↑](#footnote-ref-3)
4. (The Money Statistics July 2021 Full Report, P16) [↑](#footnote-ref-4)
5. (The Money Statistics July 2021 Full Report, P5) [↑](#footnote-ref-5)
6. (The Money Statistics July 2021 Full Report, P19) [↑](#footnote-ref-6)
7. (The Money Statistics July 2021 Full Report, P18) [↑](#footnote-ref-7)
8. (The Money Statistics July 2021 Full Report, P19) [↑](#footnote-ref-8)
9. (The Money Statistics July 2021 Full Report, P4.1) [↑](#footnote-ref-9)