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

(BEGINS)

**Pandemic Heavily Disrupts Young People’s Financial Lives**

**The Money Statistics June 2021**

**While statistically less at a health risk, the heavy impact of the pandemic on young people’s financial lives continues to be laid bare, according to the June 2021 Money Statistics, produced by The Money Charity.**

As the vaccine programme accelerates to include the UK’s youngest adults, evidence continues to mount showing how starkly young people have been financially disadvantaged by the battle to contain the pandemic. Numerous indicators show the disproportionate effects they have experienced, further exacerbating many existing challenges. Between February and April 2021, **435,000** 18-24 year-olds (**11.7%**)[[1]](#footnote-1) were unemployed, compared to an overall average unemployment rate of **4.7%**[[2]](#footnote-2). While total numbers of young people on furlough has dropped quicker than for other age groups, the overall furlough rate for 18-24 year-olds (16%) is close to double that of those aged 35-65.

Income challenges often lead in turn to expenditure issues and **51%**[[3]](#footnote-3) of those aged 18-24 have reported feeling that they have made a poor decision about debt during the pandemic. Of the **12.6 million**[[4]](#footnote-4) people who say they have increased their use of Buy Now Pay Later over the last year, young people (and especially women) are particularly high users, with 25% of users aged 18-24 and 50% aged 25-36. 75% of total users are female. Keeping pace with household bills has been an issue for many and, of the **2.5 million**[[5]](#footnote-5) people now reported as being behind on their broadband bill, young people are again highly affected, with 12% of 18-34 year-olds behind, compared to 4% of those aged 35-54 and less than 1% of those 55+.

Affordable further education and homeownership have long been significant daunting challenges for young people and this remains the case. Alongside disrupted education, university debts have continued to rise, reaching an average of **£40,280** in England, **£24,960** in Wales, **£23,520** in Northern Ireland and **£13,890** in Scotland[[6]](#footnote-6), for the latest cohorts to enter repayment.

Meanwhile, the average first-time buyer house price increased by **9.0%**[[7]](#footnote-7) in the year to April 2021, to **£210,856**. Purchasing a house at this price would entail raising an average deposit of **23%** of the value of the house, or **£48,497**. This is equivalent to **162.9%**[[8]](#footnote-8) of the average UK salary.

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

“The pandemic has caught young people in a perfect storm of interrupted education, disrupted earnings, loss of work experience and progression, continued high tertiary education costs and ever increasing exclusion from the housing market.

“The young people we work with every day are engaged with, and motivated by, improving their Financial Capability and Financial Wellbeing, but achieving this is additionally difficult with disrupted foundations. This month’s statistics show the daunting scale of the recovery task which lies ahead for the UK. For the future of our young people, it is essential we find innovative ways to enable them to catch up economically, educationally and in their overall financial situation.”

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

* Private rental prices in the UK rose by **1.2%** in the 12 months to May 2021. *(P12.)*
* It would take **11 years** for someone on the average salary, saving the average amount per household every year in an average instant access savings account, to afford the average first-time buyer deposit. *(P16.)*
* **36 million** people in the UK were targeted by scammers from January to May 2021, mostly via text, message or phone, according to Citizens Advice. *(P4.1.)*

**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
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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 June 2021 Full Report, P18) [↑](#footnote-ref-1)
2. (The Money Statistics June 2021 Full Report, P20) [↑](#footnote-ref-2)
3. (The Money Statistics June 2021 Full Report, P4.1) [↑](#footnote-ref-3)
4. (The Money Statistics June 2021 Full Report, P4.1) [↑](#footnote-ref-4)
5. (The Money Statistics June 2021 Full Report, P4.1) [↑](#footnote-ref-5)
6. (The Money Statistics June 2021 Full Report, P18) [↑](#footnote-ref-6)
7. (The Money Statistics June 2021 Full Report, P10) [↑](#footnote-ref-7)
8. (The Money Statistics June 2021 Full Report, P10) [↑](#footnote-ref-8)