

The
MONEY
Charity

The Money Statistics

March 2023

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The MONEY Charity

Welcome to the March 2023 edition of The Money Statistics, The Money Charity's complete monthly round-up of statistics about how we use money in the UK.

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1. Striking Numbers

This Month's Highlights

£65,434

Average total debt per UK household in January 2023

£2,277

Average credit card debt per household in January 2023

£3,941

Total unsecured debt per UK adult in January 2023

9.01%

Change in outstanding credit card balances in year to January 2023

0.5 pence per litre

Decrease in the price of unleaded petrol in February 2023

10.4%

Inflation rate in the year to February 2023

6.1%

Increase in average first-time buyer house price in the year to January 2023

17 years

Time to save for a first-time buyer house deposit, saving at the average rate out of average UK income (at July to September 2022 rate of household saving)



1. Striking Numbers

Every Day in the UK

- The population of the UK grew by an estimated [777](#) people a day between 2019 and 2020.
- On average, a UK household spends [£3.96](#) a day on water, electricity and gas.
- [264](#) people a day were declared insolvent or bankrupt in England and Wales in December 2022 to February 2023. This was equivalent to one person [every 5 minutes and 28 seconds](#).
- In Northern Ireland in February 2023, there were [4.0](#) insolvencies per day. In Scotland in the three months to December 2022 there were [21.4](#) insolvencies per day.
- Citizens Advice Bureaux in England and Wales dealt with [2,125](#) debt issues every day in the year to February 2023.
- [5.4](#) properties were repossessed every day in October to December 2022 in the UK, or one [every 4 hours and 25 minutes](#).
- The number of UK mortgages with arrears of over 2.5% of the remaining balance fell by [12.2](#) a day in the year to December 2022.
- The number of people unemployed in the UK fell by [255](#) per day in the twelve months to January 2023.
- [1,076](#) people a day reported they had become redundant in October to December 2022.
- Net lending to individuals and housing associations in the UK grew by [£157 million](#) a day in January 2023.
- Government debt increased by [£389 million](#) a day in the three months to February 2023.
- Borrowers paid [£156 million](#) a day in interest in January 2023.
- It costs an average of [£24.44](#) per day for a couple to raise a child from birth to the age of 18.
- For a lone parent family, the cost of raising a child comes to [£29.50](#) per day.
- [34.4](#) mortgage possession claims and [27.0](#) mortgage possession orders were made every day in England and Wales in October to December 2022.
- [222.4](#) landlord possession claims and [175.6](#) landlord possession orders were made every day.



1. Striking Numbers

Arising from the current climate

The UK has undergone a significant degree of political and financial turmoil over the past few years. The pandemic and ongoing cost of living and energy crises, among other events, have affected the lives and finances of many people across the UK. Following are some striking statistics, curated over the last few weeks to reflect the situation as it evolves:

£140

The monthly shortfall between the basic benefits received by low-income households and the real cost of food, energy and everyday basics (Joseph Rowntree Foundation).

41%

The percentage of UK adults who report that their mental health has worsened as a result of the cost of living crisis (38 Degrees).

£16.7 billion

The amount the Government borrowed in February 2023. This is £9.7 billion more than in February 2022 and the highest amount borrowed in any February since records began 30 years ago (ONS).

1/3

The proportion of UK adults who report that they haven't been able to afford to turn the heating on when they've felt cold at home (38 Degrees).

£11,000

The annual amount that workers in the UK are worse-off by, due to stagnations in pay growth since 2008 (The Resolution Foundation).

20%

The percentage of UK adults who have missed a rent repayment in the last six months. **24%** have missed a credit payment and **32%** have missed a bill payment (38 Degrees).



2. Personal Debt in the UK

Total UK Personal Debt

People in the UK owed **£1,837.4 billion** at the end of January 2023. This is up by **£70.5 billion** from **£1,766.9 billion** at the end of January 2022, an extra **£1,325.92** per UK adult over the year.

Type of Personal Debt	Total Personal Debt £ billion	Per Household £	Per Adult £
Secured (Mortgages)	£1,627.8 billion	£57,969	£30,605
Unsecured Consumer Debt	£209.6 billion	£7,465	£3,941
Of which, Credit Card Debt	£63.9 billion	£2,277	£1,202
Grand Total (January 2023)	£1,837.4 billion	£65,434	£34,546

The average total debt per household, including mortgages, was **£65,434** and per adult was **£34,546**, around **105.2%** of average earnings. This is up from the revised **£34,455** a month earlier.

Based on January 2023 numbers, the UK's total interest payments on personal debt over a 12-month period would have been **£57,063 million**, an average of **£156 million** per day. The average annual interest per household would have been **£2,032** and per person **£1,073**, **3.27%** of average earnings.

According to the Office for Budget Responsibility's March 2023 forecast, household debt of all types is forecast to rise from **£2,333 billion** in 2023 to **£2,478 billion** in 2025. This would make the average total household debt **£86,994** (assuming household numbers track ONS population projections.)

Consumer Credit Debt

At the end of January 2023, outstanding consumer credit lending was **£210.0 billion**, increasing by **£3.1 billion** on the revised total for the previous month and **£11.1 billion more** than in January 2022. Within the total, outstanding credit card debt came to **£63.9 billion**, an increase of **9.01%** (**£5.3 billion**) in the year to January 2023. Credit card debt averaged **£2,277** per household and **£1,202** per adult.

A credit card on the average interest rate would take **25 years and 10 months** to repay, making only the legal minimum repayments (interest plus 1% of the outstanding balance) each month. The minimum repayment in the first month would be **£62** but would reduce each month. If **£62** were paid *every* month, the debt would be cleared in **5 years**.

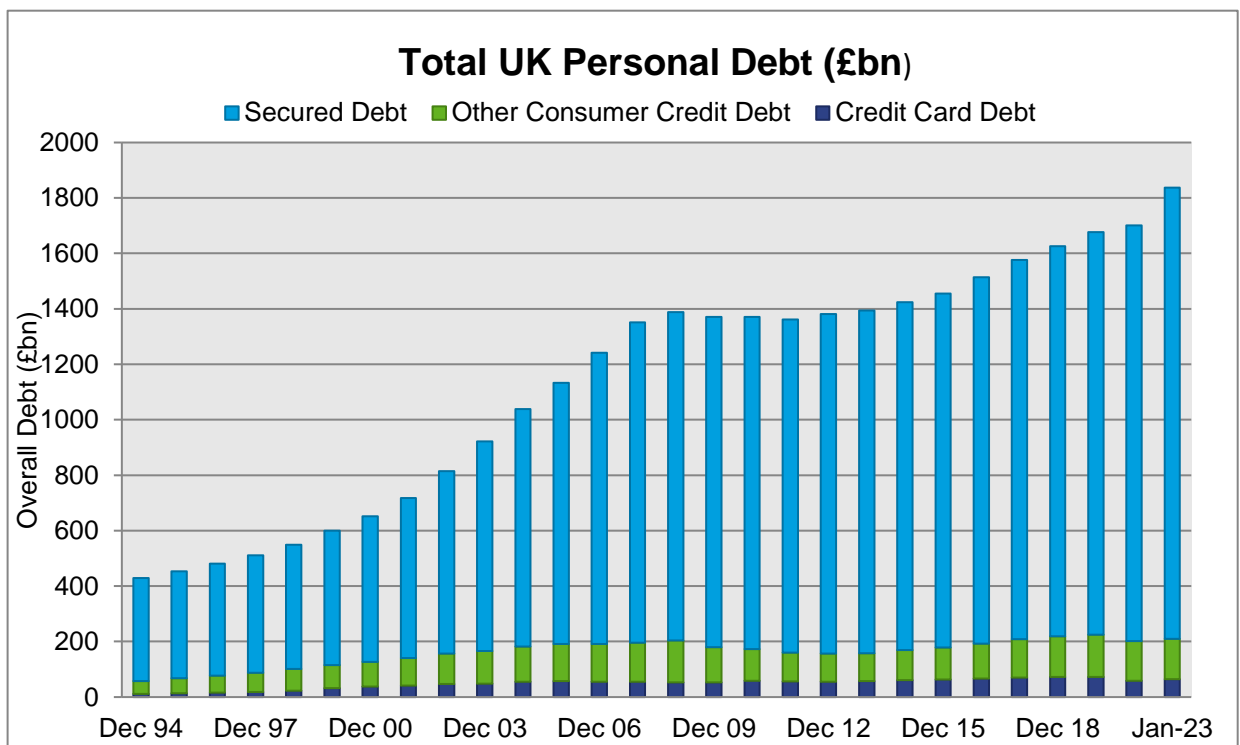


2. Personal Debt in the UK

Net Lending and Write-Offs

Total net lending to individuals and housing associations by UK banks and building societies grew by **£4.9 billion** in January 2023 or **£157 million a day** over revised figures for December 2022.

- Net mortgage lending **rose** by **£1.7 billion** in the month, while net consumer credit lending **increased** by **£1.0 billion**.
- In Q4 2022 lenders wrote off **£980 million** (of which **£359 million** was credit card debt, amounting to a daily write-off of **£10.7 million**.)



Bank of England Data to January 2023

(The last three columns in the chart are Dec 19, Dec 20 and Jan 23)



2. Personal Debt in the UK

Advice on Problem Debts

Citizens Advice Bureaux across England and Wales answered 449,995 enquiries in February 2023, **12.0% up** from February 2022.

Debt was the second largest advice category in February 2023 with **76,823** issues, behind Benefits and Tax Credits (**101,370**). Debt calls were **14.5%** up compared with February 2022, while calls about Benefits and Tax credits were up by **11.0%**. Calls about Fuel (gas, electricity etc) were up **56.9%** on February 2022. Debt represented **0.3%** of all issues dealt with in the year to February 2023. The top three debt categories in January 2023 were fuel debts, council tax arrears and credit, store and charge card debts. In the year to February 2023, Citizens Advice Bureaux in England and Wales dealt with **2,125** debt issues every *day*.

In Scotland in January 2023, Citizens Advice Scotland gave **93,043** pieces of advice, with debt advice being **9% of the total**. Debt advice in January 2023 was the third largest category after benefits, with the second largest now being utilities and communications advice.

StepChange Debt Charity reports that **18,000** new clients received full debt advice in January 2023. The most common reasons for seeking debt advice were “cost of living increase”, “lack of control over finances” and “unemployment or redundancy”. **67%** of clients had credit card debt, **46%** had personal loan debt, **32%** had an overdraft and **35%** had catalogue debt. The majority of StepChange clients are female (**65%** in January 2023) and young (**61%** under the age of 40).



2. Personal Debt in the UK

Individual Insolvencies

There were **27,275** individual insolvencies in England and Wales in December 2022 to February 2023, a **decrease of 9.3%** from 26,777 for the same period in 2022. This was equivalent to **264** people a day or one person **every 5 minutes and 28 seconds**.

Every day on average in England and Wales, **17** people were made bankrupt, **63** Debt Relief Orders were granted and **184** Individual Voluntary Arrangements (IVAs) were entered into.

In the 12 months to February 2023, **115,319** individuals, **1 in 408 (0.25%)** of the adult population of England and Wales became insolvent.

In Northern Ireland there were **111** individual insolvencies in February 2023, a rate of **4.0** per day. This comprised **87** Individual Voluntary Arrangements, **16** Debt Relief Orders and **8** bankruptcies. Individual insolvencies for the three months to January 2023 were **up by 4.7%** on the same three months the previous year.

In Scotland there were **1,966** personal insolvencies in October to December 2022, a rate of **21.4** per day, comprising **574** bankruptcies and **1,392** protected trust deeds. Personal insolvencies for the three months to December 2022 decreased by **4.9%** on the same period in the previous year.

County Court Judgements for Debt

1,906 Consumer County Court Judgements (CCJs) were issued every day in England and Wales in October to December 2022, a **4% decrease** on the same period on the same period in 2021. The average value was **£5,965.75**, according to Registry Trust Ltd.

In Northern Ireland, there were **11** consumer debt judgements every day in October to December 2022, with an average value of **£3,467.25**.

In Scotland, **56** consumer debt decrees were registered every day in October to December 2022, with an average value of **£2,966.97**.



3. Mortgages, Rent and Housing

Mortgage Debt

According to the Bank of England, outstanding mortgage lending stood at **£1,627.8 billion** at the end of January 2023. This is up from £1,568.4 billion a year earlier, an increase of **£59.4 billion**.

That means that the estimated average outstanding mortgage for the **10.94 million** households with mortgage debt was **£148,795** in January 2023.

The average mortgage interest rate was **2.55%** at the end of January 2023. Based on this, households with mortgages would pay an average of **£3,794** in mortgage interest over the year.

For new loans, the average mortgage interest rate was **3.89%**. Based on this, First-Time Buyers with mortgages would pay an average of **£7,367** in mortgage interest over the year.

According to the FCA and Bank of England, gross mortgage lending in October to December 2022 was **£81.6 billion**, **16.3% higher** than the same quarter the previous year and **24.0% higher** than from before the pandemic (Q1 2020).

The Financial Conduct Authority reports that **63.0%** of mortgage lending in Q4 2022 was for 75% or less of a property's value. **5.07%** of lending was for mortgages for over 90% of a property's value.

57.75% of mortgage lending was for three or more times the borrowers' incomes.

According to UK Finance, in December 2019 (latest publicly available data), the mortgage as percentage of house value was on average **77.0%** for first-time buyers, **67.6%** for home movers and **58.8%** for re-mortgagors, slightly higher than the previous year.



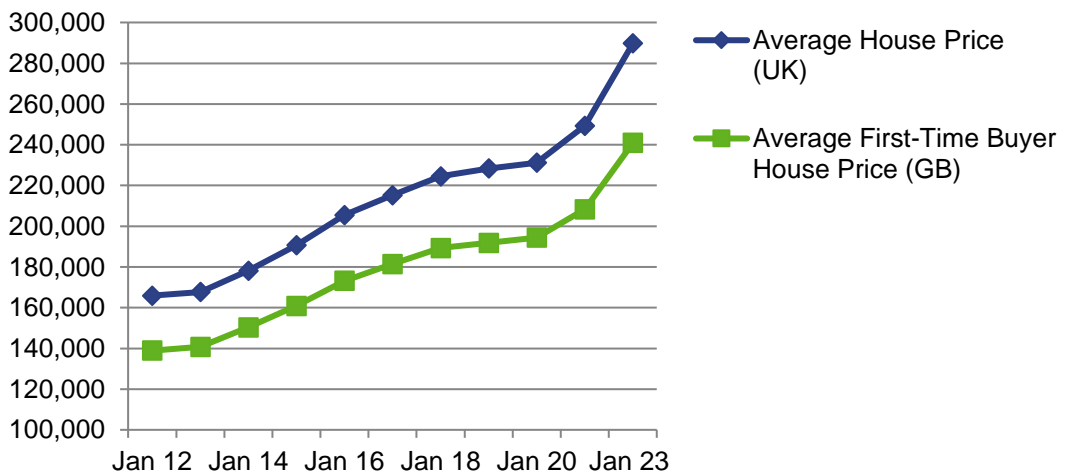
3. Mortgages, Rent and Housing

House Prices

Nationwide estimates that house prices **fell by 0.5%** in February 2023 and were **1.1% lower** than 12 months before. Halifax reports that the average UK house price in January 2023 was **£285,476**, falling by **2.5%** in the three months to February 2023 and rising by **2.1%** in the year to February 2023.

Nationwide, Halifax and HM Land Registry all show sharply higher house prices over the last eighteen months, particularly over the summer and autumn of 2020 and again from March 2021. HM Land Registry has the largest dataset and includes cash sales, but records transactions later, after registration of the sale, not at the mortgage approval stage. The Halifax and HM Land Registry average prices tend to be similar, with Nationwide being slightly lower.

House Prices (HM Land Registry)



First-Time Buyers

HM Land Registry reports that the average house price for first-time buyers in Great Britain was **£240,938** in January 2023, an annual increase of **6.1%** and a monthly change of **-1.6%**.

According to UK Finance, the typical first-time buyer deposit in December 2019 was **23%** of the purchase cost, which would average **£55,416** in January 2023 based on the above Land Registry first-time buyer price. This is **168.7%** of the average UK salary.



3. Mortgages, Rent and Housing

House Prices in Government Office Regions, Northern Ireland, Scotland and Wales

According to HM Land Registry, average house prices in the UK increased by **6.3%** in the year to January 2023 to **£289,819**. The highest rates of increase were in the East Midlands (**12.3%**) and Northern Ireland (**10.2%**). The lowest price increases were in Scotland (**1.0%**) and London (**3.2%**). After decreasing in December, the average UK house price continued to fall in January (**-1.1%**).

The average house price was highest in London (**£533,986**) and the lowest in the North East (**£163,371**).

Average House Prices: Nations and Regions – January 2023

Country and Government Office Region	Price	Monthly Change	Annual Change
East Midlands	£256,159	0.5%	12.3%
Northern Ireland (Quarter 4- 2022)	£175,234	-0.5%	10.2%
North East	£163,371	0.6%	10.0%
West Midlands Region	£256,694	0.2%	9.9%
North West	£214,431	-2.4%	7.2%
South West	£329,691	-0.4%	7.1%
England	£310,159	-1.2%	6.9%
East of England	£358,114	-1.1%	6.8%
Yorkshire and The Humber	£207,635	-2.5%	6.5%
South East	£398,368	-1.2%	6.3%
Wales	£216,871	-2.3%	5.8%
London	£533,986	-0.1%	3.2%
Scotland	£185,016	-0.5%	1.0%

Source: ONS and HM Land Registry. Ranked by Annual Change.



3. Mortgages, Rent and Housing

Renting

According to the Office for National Statistics, private rental prices in the UK rose by **4.7%** in the 12 months to February 2023, up from a revised **4.4%** for the 12 months to January 2023.

Over the year to February 2023, private rental prices increased in Northern Ireland, Wales, Scotland and all the English regions. Northern Ireland (**9.5%**), Scotland (**4.9%**) and the East Midlands (**4.9%**) saw the highest rates of increase. The lowest increases were in the West Midlands (**4.0%**) and the South East (**4.1%**).

The median rent in England across all private rental property types for the 12 months to 30 September 2022 was **£800**, according to the Valuation Office Agency and ONS. In London it was **£1,475**.

For a single room with shared facilities, the median monthly private rent was **£438**. In London it was **£650 (48.4% higher)**.

For two bedrooms, the median monthly private rent was **£793**. In London it was **£1,500 (89.2% higher)**.

Figures from the Department for Levelling Up, Housing and Communities show that in 2020-21, private renter households in England spent an average of **£198** per week on rental payments. Private renters in receipt of housing support spent around **41%** of their income on rental payments. The rental share of income was highest for unemployed people (**41.1%**) and low income households (**52.3%**).

Weekly rents in the social housing sector in England were **£107** for housing association renters and **£94** for local authority renters.

In 2020-2021, **34.7%** of households owned their home outright, while **30.1%** were mortgagors, **18.5%** rented privately and **16.6%** paid a social rent.

- Since 2013-14, outright owners have been the largest tenure group.
- Since the mid-1990s, the number of renters and outright owners has risen, while the number of people owning a house with a mortgage has fallen.
- In 2020-2021, **46.9%** of 25-34 year-olds were owner occupiers. **36.8%** of this age group were private renters and **16.4%** were social renters.



3. Mortgages, Rent and Housing

Arrears and Repossessions

According to the Financial Conduct Authority, at the end of Q4 2022 there were **154,231** mortgage loan accounts with arrears of more than 1.5% of the current loan balance.

- This is **2.5%** more than revised numbers for the previous quarter and **9.6%** down on Q4 2021.

47.4% of payments due for loans in arrears were received in Q4 2022.

UK Finance reports that **75,170 (0.85%)** of homeowner mortgages had arrears equivalent to at least 2.5% of the outstanding mortgage balance in Q4 2022, **0.99%** up on the previous quarter. Over the last year, mortgages in arrears have decreased by **12.2** a day.

UK Finance estimates that there were **500** homeowner properties taken into possession in the UK in Q4 2022, up from 390 in Q4 2021.

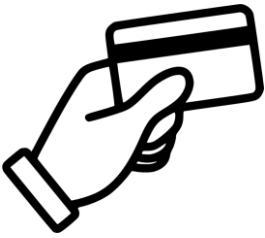
This equates to **5.4** properties being possessed every day, or one property being possessed **every four hours and 25 minutes**. This number was previously low due to the pandemic-related moratorium on forced possessions, but is now approaching pre-pandemic levels.

In England and Wales, in October to December 2022, according to the Ministry of Justice, every day **34.3** mortgage possession claims were issued and **27.0** mortgage possession orders were made.

222.4 landlord possession claims were issued and **175.6** landlord possession orders were made every day.

Compared to Q4 2019 (pre-lockdown), mortgage possession claims fell by **49.5%** and orders by **44.2%**, while landlord possession claims fell by **19.6%** and landlord possession orders fell by **21.3%**. This was due to forbearance action by the Government and the FCA in response to the Covid-19 pandemic.

However, possession claims and orders increased in Q2 and Q3 2021 from the very low levels of mid-2020.



4. Spending and Loans

How We Spend

In the year to January 2022, outstanding consumer credit **increased by 3.99%** according to the Bank of England, while outstanding levels of credit card borrowing increased by **9.01%**. The largest reductions occurred from August 2020 to March 2021. Since April 2021, outstanding consumer credit has fallen slightly, with variations from month to month.

On average, **47.1** cash machine transactions (including balance enquiries and rejected transactions) were made **every second** in February 2023, a decrease of **2.6%** on February 2022. The total value of transactions increased by **0.1%** over the same period.

- In total, cash machine transactions were worth an average of **£52.80** per transaction.
- These LINK transaction figures do not include transactions or withdrawals made by customers at their own banks or building societies.
- The number of ATMs (in-branch and remote) fell from **53,398** at the end of 2021 to **50,300** at the end of 2022 (a fall of **5.8%**). Free-to-use ATMs fell from **40,942** to **39,429** while pay-to-use ATMs fell from **12,456** to **10,871**.

What We Buy

In Q3 2022, households in the UK spent **£114.0 million** a day on water, electricity and gas, or **£3.96** per household per day. On a seasonally adjusted basis, this was **3% less** than the revised figure for Q3 2021.

In February 2023 the average price of unleaded petrol **decreased by 0.5ppl to 148.3ppl**.

- This meant it cost **£74.15** to fill a 50 litre unleaded tank, **25p less** than last month.

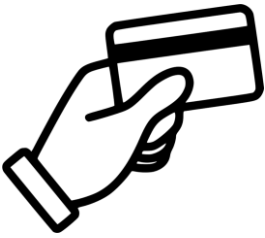
The average price of diesel **decreased by 2.6ppl to 168.5ppl**.

- This meant it cost **£84.25** to fill a 50 litre diesel tank, **£1.30 less** than last month.
- The price difference between the two grew to **20.2ppl**, a difference of **£10.10** per 50 litre tank.

According to Which? the annual cost for home-charging a compact electric car is around **£885** per year, or **£17.02** per week, based on 9,000 miles driving per year.

Child Poverty Action Group's "The Cost of a Child in 2021" report estimates that couple families now spend **£160,692** on raising a child to their 18th birthday, **£24.44 a day**. This is an increase of **5.2%** over the last year and **12.6%** since the study began in 2012.

- The cost for a lone parent is **£193,801**, an increase of **25%** since 2012.
- This comes to **£29.50 a day**.
- For couples in 2021, **22%** of basic costs are covered by child benefit. For lone-parent families in 2020, **16%** of basic costs are covered by child benefit.



4. Spending and Loans

The Cost of Credit

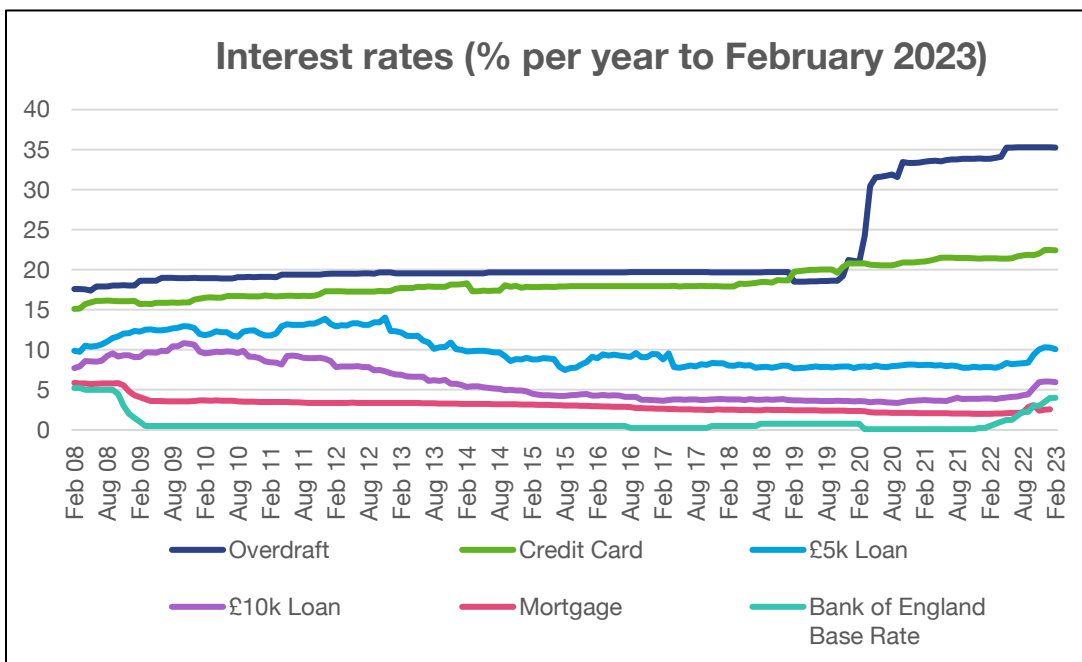
The average interest rate on credit card lending bearing interest was **22.44%** in February 2023. This was **18.19%** above the Bank of England Base Rate of **4.25%**. (The Bank rate was raised from **4.0%** to **4.25%** on 23 March 2023.)

UK Finance figures show that **50.9%** of credit card balances were bearing interest in November 2022.

In February 2023, the average APR for a £5,000 personal loan was **10.08%**, according to the Bank of England. For a £10,000 loan it was **5.94%**, while the average rate for an overdraft was **35.24%**.

As shown in the chart, the gap between credit card, overdraft and other interest rates has widened substantially since 2008. The dramatic increase in overdraft rates in 2020 was due to new FCA overdraft rules, which banned high fixed charges penalising accidental and short-duration overdrafts, but at the cost of a rise in the average overdraft rate.

Why overdraft and credit card rates are so high when the bank base rate remains much lower is an open question.



Source: Bank of England



5. Savings and Pensions

Savings

The average interest rate for an instant access savings account was **1.75%** in February 2023. For a cash ISA, the rate was **1.82%**, up from 0.31% a year ago.

In Q3 2022, households saved an average of **9.0%** of their post-tax income, including benefits, down from **15.8%** (revised) in Q4 2020 and also the record **26.5%** (revised) in Q2 2020, which was substantially higher than the previous peaks in the late 1970s and early 1990s. From 2000 to 2015, the savings rate fluctuated mostly within the 7-10% range, with the most recent pre-Covid peak being 12.0% (revised) in Q1 2010. If someone on the average salary saved 9.0% of their income in an average instant access savings account for a year, they would receive **£41.39** in interest after tax. If they saved it in an average cash ISA, they would receive **£53.81**.

It would take **17 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. If they saved into a cash ISA at the same rate it would also take **17 years**.

In 2020-2021, according to the Family Resources Survey, **35%** of UK adults had either no savings or less than £1,500 in savings. This became **48%** for households with an income of under £200 a week.

Pensions

According to The Pensions Regulator's Compliance Report, at least **10.86 million** workers had joined a pension scheme under auto-enrolment by the end of February 2023, making a total of **23.4 million** members of pensions schemes, but leaving **10.81 million** workers unenrolled, out of the total declared workforce of **34.2 million**.

According to the Family Resources Survey, **54%** of working age adults actively participated in a pension in 2020-21, up **2%** on the previous year. Participation was **80%** for employees and **19%** for the self-employed.

According to ONS, in 2020, **34.8%** of employees with a pension were in an occupational Defined Benefit scheme, **36.5%** were in an occupational Defined Contribution scheme and **26.6%** were in group personal or stakeholder schemes. The Annual Survey of Hours and Earnings reports that in 2020, **47.2%** of members of Defined Benefit schemes received an employer contribution of **20% or more** of their income, compared with only **2.0%** of members of Defined Contribution schemes.

In November 2021, there were **12.47** million recipients of the State Pension, an increase of **92,000** on November 2020. Of these, **2.4 million** were on the new State Pension (nSP) introduced in 2016, an increase of **630,000** on November 2020.



6. Financial Inclusion

According to the FCA Financial Lives Survey, in the UK in 2020 there were **1.2 million** UK adults who did not have a bank account (either a current account or an alternative e-money account.) This was **2.3%** of the UK adult population. The highest unbanked rates were for the unemployed, those in a marginal or vulnerable situation and those aged 18-21.

There were **7.24 million** basic bank accounts (BBAs) on 30 June 2021, according to HM Treasury. BBAs are the no-frills bank accounts that the nine largest personal current account providers are required to offer under the Payment Accounts Regulations 2015.

According to ONS, in 2021 there were **8,810** bank and building society branches in the UK. This was a reduction of **750** branches (**-7.8%**) from the year before. According to Which? **4,735** branches have either been closed or scheduled for closure between January 2015 and December 2021, with the largest numbers of closures in the South East of England, Scotland and the North West of England.

According to the FCA Financial Lives Survey, in February 2020, **5.4 million** people relied on cash to a great or very great extent, with **2.5 million** using cash for all their payments.

In 2020, **44.4 million** UK adults (**85%** of the total) used some form of credit, according to the FCA Financial Lives Survey. This includes unregulated credit (**4%** of adults) and running credit such as credit cards that are paid off each month (**30%** of adults). Around **7.8 million** people (**15%** of total UK adults) either chose not to access credit or did not have access to credit.

According to the Bank of England, **1.92 million** adults were members of credit unions in October to December 2021, an **increase of 0.30%** over the same period in 2020. There were **395** credit unions, with loans to members to a value of **£1.75 billion**, **35.1%** of which was in Northern Ireland.

According to the FCA Financial Lives Survey, **17.8 million** UK adults (**34%** of the total) did not have home contents insurance in 2020. According to Ofcom, **1.5 million** households did not have access to the Internet in March 2021. This included **18%** of households with members aged 65+.

Research by The Social Market Foundation found that low-income households pay a 'poverty premium' in buying their goods and services of **£490** per year. The poverty premium is the extra amount people on low incomes pay from not being able to access the best deals.

According to the FCA Financial Lives Survey, in October 2020, **14.6 million** UK adults (**28%** of the total) said they had low confidence in managing their money, while **17.7 million** UK adults (**34%**) had poor or low levels of numeracy involving financial concepts.



7. Young People

Young People in Education and Employment

According to ONS, in November 2022 to January 2023 there were **5.37 million** people aged 18 to 24. Of these, **1.77 million** were in full-time education while **3.39 million** were in employment (including those in full-time education who were also in employment.) From January 2022 to January 2023, the number of 18-24 year-olds in employment increased by **58,000**.

Unemployment

355,000 18-24 year-olds (**9.5%**) were unemployed in November 2022 to January 2023. This was **6,000** less than the same period the previous year and **12,000** more than in August to October 2022.

- **86,000 (24.2%)** had been unemployed for over 6 months.
- **51,000** had been unemployed for over 12 months, **3,000 less than** from August to October 2022 and **36,000 less** than a year earlier.

788,000 (11.5%) of 16 to 24-year-olds in the UK were not in education, employment or training (NEET) in October to December 2022, an increase of **25,000** over the last year.

Minimum Wage

Minimum wage rates increased in April 2022. For under 18s the new rate is **£4.81**. The apprentice rate (for those under 19 or in the first year of their apprenticeship) is **£4.81**. For those aged 18-20, the minimum wage goes up to **£6.83**. For those aged 21-22, **£9.18** and for those aged 23+, **£9.50**. The age for receiving the National Living Wage has dropped from 25+ to 23+.

Wages Paid by Age and Gender

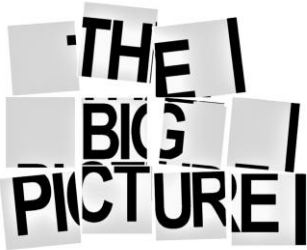
According to ONS, in the year to April 2022 the median weekly gross pay for all full-time employees was **£640**. For employees aged 16-17 it was **£229**. For those aged 18-21 it was **£402** and for those aged 22-29 it was **£546**. For those aged 16-17, female FT pay as a percentage of male FT pay was **96.3%**. This increased to **97.9%** for those aged 22-29 and then gradually by age to reach **88.3%** for the 50-59 age group.

Student Loans

In 2020-21, the provisional average maintenance loan awarded to full-time students in England was **£6,860 (up 1.8%** on the revised figure for the previous year.) In Wales it was **£5,110** and in Northern Ireland **£3,120**. The provisional average tuition fee loan in England was **£8,520 (down 0.5%)**. In Wales it was **£8,180 (up 16.9%)** and in Northern Ireland **£5,440**.

Student Debt

In England, the average debt for the latest (2020-21) cohort to enter repayment was **£45,060**, an increase of **12.6%** on the previous year. In Wales it was **£27,600 (+11.4%)**, in Northern Ireland **£24,720 (+5.9%)** and in Scotland **£15,170 (+9.3%)**.



8. The Bigger Picture

Economy and Inflation

The UK economy grew by **0.3%** in January 2023 and is now estimated to be 0.2% below its pre-pandemic level.

The CPI (Consumer Prices Index) increased by **10.4%** in the year to February 2023, **0.3%** higher than the year to January 2023. The highest rates of inflation over the 12 months to February 2023 were for housing, water, electricity, gas and other fuels (**26.6%**), food and non-alcoholic beverages (**18.0%**) and restaurants and hotels (**12.1%**). The lowest rate was for transport (**2.9%**). According to ONS, the largest upward contributions to the monthly change in the CPI rate came from restaurants and cafes, food, and clothing, partially offset by downward contributions from recreational and cultural goods and services (particularly recording media) and motor fuel.

Pay Rates

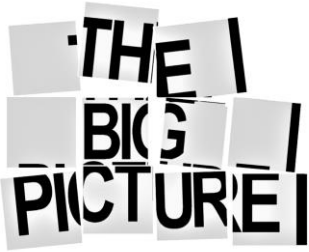
In the three months to January 2023, regular pay increased by **6.5%** on the year before. Pay including bonuses decreased by **3.2%**. Average weekly pay was **£589**, or **£630** including bonuses; an annual salary of **£30,712**, or **£32,850** with bonuses. In real terms, for the year to January 2023, regular pay decreased by **2.7%**, while total pay fell by **3.4%**. Due to pay growth being lower than inflation for most of the last fourteen years, total real pay (**-3.8%**) was below the pre-financial crash peak in February 2008 while regular real pay fell by **0.6%** over the same period.

Public Sector Borrowing

Public Sector Net Borrowing (excluding NatWest Group and Bank of England) in the three months to February 2023 was **£35.7 billion**, an average borrowing of **£389 million** per day. Spending included **£19.7 billion** net investment, meaning there was a current budget deficit of **£16.1 billion** over the same three months. Total net borrowing for the year to February 2023 was **£137.6 billion**, compared with **£142.7 billion** for the year to February 2022.

Public sector net debt in February 2023 (excluding NatWest and Bank of England) was **£2,215.7 billion (87.7% of GDP)**. This was **£181.0 billion** more than in February 2022, an increase of **£496 million** per day, mainly due to the economic impact of Covid-19.

According to the March 2022 Forecast from the Office for Budget Responsibility, public sector net debt will fall from **95.6%** of GDP in 2021-22 to **91.2%** of GDP in 2024-25. Interest on public debt is forecast to be equivalent to **1.3%** of GDP in 2024-25.



8. The Bigger Picture

Population, Taxpayers and Benefit Recipients

According to the latest ONS estimate, the population of the UK grew by **777** people per day between mid 2019 and mid 2020.

Out of a total population aged 15+ of **55.5 million**, there are projected to be **32.2 million** income taxpayers in 2021-22. Of these, **27 million** will be basic rate taxpayers, **4.1 million** people will fall into the 40% income tax band and **440,000** will pay the 45% rate, which replaced the 50% rate in 2013-14. People who do not pay income tax still pay indirect taxes such as VAT, non-EU import duties, insurance premium tax and excise duties on tobacco, alcohol and fuel.

There were **23 million** people claiming some combination of DWP benefits in August 2021, according to DWP. In November 2021, housing benefit was received by **2.7 million** people and **5.7 million** people were receiving Universal Credit, an increase of **2.7** million from March 2020 (before the first lockdown.)

Unemployment

The number of people classed as unemployed in November 2022 to January 2023 was **1.27 million** (**3.7%** of the workforce), **6,000 more than** the previous quarter, **65** more per day but down **93,000** from the previous year, **255 fewer a day**. The unemployment rate in the UK was highest in the West Midlands (**4.5%**) and London (**4.5%**) and lowest in the South West (**2.3%**). **289,000** people had been unemployed for over 12 months in November 2022 to January 2023, down by **124,000** (**440 a day**) from a year earlier. Since the beginning of 2021, short-term (less than six months) unemployment has fallen, while longer-term unemployment has increased.

Employment and Unemployment – Older Workers

264,000 people aged 50 and over were unemployed in October to December 2022, a decrease of **18,000** on July to September 2022 and down **59,000** on a year earlier. **37.7%** of unemployed workers aged 50 and over, a total of **100,000** people, had been out of work for over a year. **66,000** had been unemployed for more than two years.

1,377,000 (**11.1%**) people aged 65 and over were *in work* in October to December 2022, **20,000 more** than in July to September 2022 and an increase of **67,000** from the previous year.

Redundancies

99,000 people (**1,076 per day**) reported they had become redundant in October to December 2022, **24,000** more than in July to September 2022 and **27,000** more than the year before.

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