

The
MONEY
Charity

The Money Statistics

**May
2021**

<https://themoneycharity.org.uk>

The MONEY Charity

Welcome to the May 2021 edition of The Money Statistics, The Money Charity's complete monthly round-up of statistics about how we use money in the UK.

If you have any questions, comments, or want any information about the source of these statistics, please email us at hello@themoneycharity.org.uk. Throughout this report, statistics that are written in **colour** have been calculated by The Money Charity. All the other statistics come from external sources such as Bank of England, the ONS and UK Finance and are written in **black**. All statistics are taken from the latest available at the time of writing.

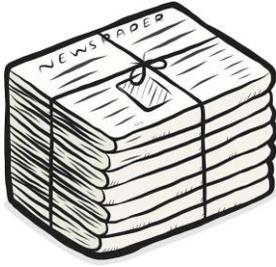
You may use any of the statistics here, as long as:

- You don't make any commercial or financial gain from their use;
- 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.

If you'd like this report emailed to you every month as soon as it's published, please sign up [here](#). If you would be interested in sponsoring the production of The Money Statistics, we would be very happy to hear from you. Please contact us through hello@themoneycharity.org.uk

**We update these statistics every month with the latest data.
Check our [website](#) to make sure you're reading the most recent edition.**

Section	Page Number
1. Striking Numbers – This Month's Highlights	3
1. Striking Numbers – Every Day in the UK and from Coronavirus	4 + 4.1
2. Personal Debt in the UK	5
3. Mortgages, Rent and Housing	9
4. Spending and Loans	14
5. Savings and Pensions	16
6. Financial Inclusion	17
7. Young People	18
8. The Bigger Picture	19



1. Striking Numbers

This Month's Highlights

£61,435

Average total debt per UK household in March 2021

£1,945

Average credit card debt per household in March 2021

£3,712

Total unsecured debt per UK adult in March 2021

-21.7%

Change in outstanding credit card balances in year to March 2021

447,000

Number of 18-24 year-olds unemployed in the three months to March 2021

1.2%

Increase in private rental prices in the year to April 2021

9.5%

Increase in average first-time buyer house price in the year to March 2021

11 years

Time to save for a first-time buyer house deposit, saving at the average rate out of average UK income (at Oct to Dec 2020 rate of household saving)



1. Striking Numbers

Every Day in the UK

- The population of the UK grew by an estimated **990** people a day between 2018 and 2019.
- On average, a UK household spends **£4.20** a day on water, electricity and gas.
- **310** people a day were declared insolvent or bankrupt in England and Wales in February to April 2021. This was equivalent to one person **every 4 minutes and thirty-eight seconds**.
- In Northern Ireland in April 2021, there were **7.5** insolvencies per day and in Scotland **22.1** insolvencies per day.
- Citizens Advice Bureaux in England and Wales dealt with **1,673** debt issues every day in the year to April 2021.
- **2.1** properties were repossessed every day in January to March 2021 in the UK, or one **every 11 hours and 22 minutes**.
- The number of UK mortgages with arrears of over 2.5% of the remaining balance rose by **15** a day in the year to March 2021.
- The number of people unemployed in the UK grew by **705** per day in the twelve months to March 2021.
- **1,700** people a day reported they had become redundant in January to March 2021.
- Net lending to individuals and housing associations in the UK grew by **£351 million** a day in March 2021.
- Government debt increased by **£818 million** a day in the year to March 2021.
- Borrowers paid **£122 million** a day in interest in March 2021.
- It costs an average of **£23.25** 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 **£28.22** per day.
- **8.2** mortgage possession claims and **1.6** mortgage possession orders were made every day in England and Wales in January to March 2021.
- **71** landlord possession claims and **60.3** landlord possession orders were made every day.

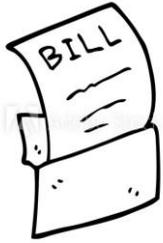


1. Striking Numbers

Arising from Coronavirus pandemic

Reports continue to be published showing the impact of Covid-19 on the financial health of the country and individual households. The following are some of the new findings that have been published during the last month:

- 45%** Proportion of 18-24 year-olds who have used **Buy Now Pay Later** (BNPL) in the last year (Citizens Advice)
- 43%** Proportion of people whose employment has been affected by Coronavirus who have used BNPL in the last year (Citizens Advice)
- 1 in 4** Users of BNPL who have regretted using BNPL, the most common reason being that BNPL encouraged them to spend more than they could afford (Citizens Advice)
- 17%** Proportion of UK households with a Covid-related income fall who have **taken on debt** in order to cover living expenses, compared to 9% in Germany and 8% in France (Resolution Foundation)
- 37%** Proportion of UK people in debt who have **high interest debts**, compared to 9% in Germany and 7% in France, where personal loans are the most common form of debt (Resolution Foundation)
- +6.4 points** Increase in the Lowell **Vulnerability Index** for the UK in Q2 2020, reflecting the impact of the first Coronavirus lockdown. The index rose from 39.8 to 46.2 in three months. The index also showed wide geographic variation in the UK, from 39.1 in the South East to 50.9 in Northern Ireland and 57.5 in the North East (Lowell and Urban Institute)
- 36%** Proportion of 18-24 year-olds who had a **common mental disorder** (CMD) such as anxiety or depression in January 2021. This compares to 30% before Covid-19, 51% in April 2020 and 30% in September 2020 (Resolution Foundation)
- 28%** Proportion of young people reporting poor mental health who were furloughed on pay during Covid-19, the same proportion as for those whose employment was unaffected, showing the beneficial impact of the furlough scheme on mental health (Resolution Foundation)
- 10.1 million** Number of adults in Great Britain showing signs of financial difficulty in January 2021, with **2.4 million** in problem debt (StepChange)



2. Personal Debt in the UK

Total UK Personal Debt

People in the UK owed **£1,712.9 billion** at the end of March 2021. This is up by **£27.1 billion** from **£1,685.8 billion** at the end of March 2020, an extra **£511** per UK adult over the year.

Type of Personal Debt	Total Personal Debt £ billion	Per Household £	Per Adult £
Secured (Mortgages)	£1,516.2 billion	£54,397	£28,614
Unsecured Consumer Debt	£196.7 billion	£7,057	£3,712
Of which, Credit Card Debt	£54.2 billion	£1,945	£1,023
Grand Total (March 2021)	£1,712.9 billion	£61,435	£32,326

The average total debt per household, including mortgages, was **£61,435** and per adult was **£32,326**, around **110.3%** of average earnings. This is up from a revised **£32,121** a month earlier.

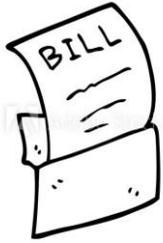
Based on March 2021 numbers, the UK's total interest payments on personal debt over a 12-month period would have been **£44,575 million**, an average of **£122 million** per day. The average annual interest per household would have been **£1,599** and per person **£841**, **2.87%** of average earnings.

According to the Office for Budget Responsibility's March 2021 forecast, household debt of all types is forecast to rise from **£2,006 billion** in 2020 to **£2,354 billion** in 2025. This would make the average total household debt **£82,641** (assuming household numbers track ONS population projections).

Consumer Credit Debt

At the end of March 2021, outstanding consumer credit lending was **£196.7 billion**, falling by **£957 million** on the revised total for the previous month, and **£24.1 billion less** than in March 2020. Within the total, outstanding credit card debt came to **£54.2 billion**, a decrease of **21.7% (£15.0 billion)** in the year to March 2021. Credit card debt averaged **£1,945** per household and **£1,023** per adult.

A credit card on the average interest rate would take **24 years and 4 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 **£51** but would reduce each month. If **£51** were paid *every* month, the debt would be cleared in **5 years and 1 months**.

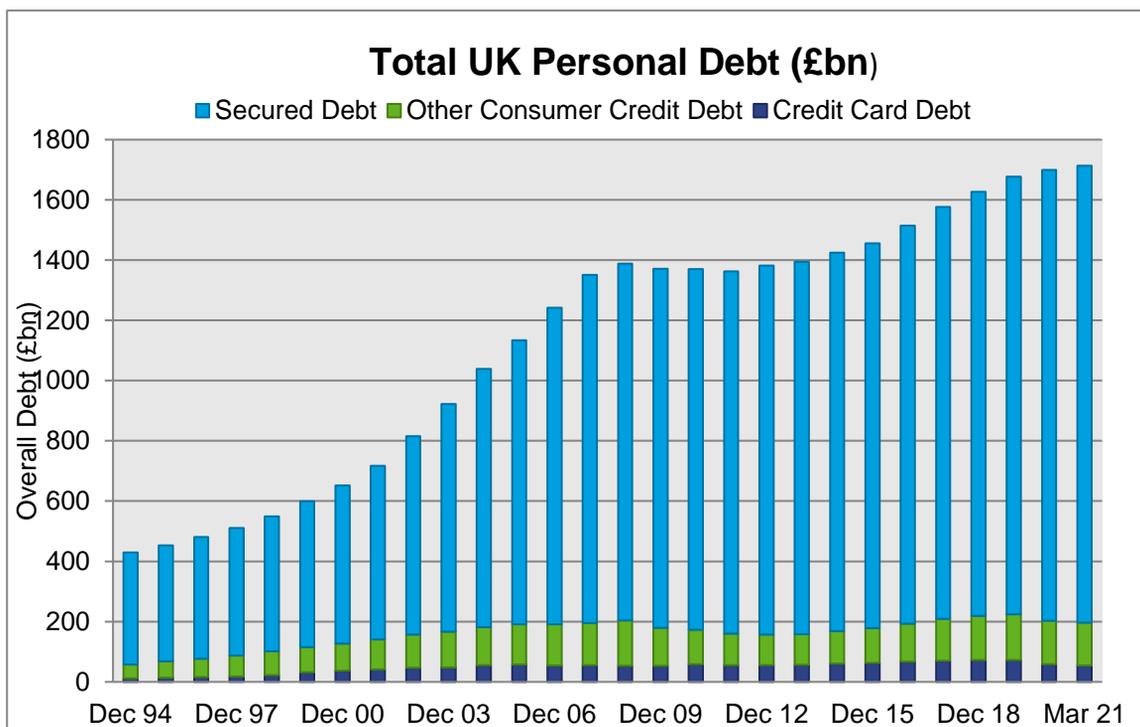


2. Personal Debt in the UK

Net Lending and Write-Offs

Total net lending to individuals and housing associations by UK banks and building societies **rose by £10.9 billion** in March 2021 or **£351 million a day** over revised figures for February 2021.

- Net mortgage lending rose by **£11.82 billion** in the month, while net consumer credit lending fell by **£957 million**.
- In Q4 2020 lenders wrote off **£960 million** (of which **£292 million** was credit card debt, amounting to a daily write-off of **£3.2 million**).



Bank of England Data to March 2021

(The last three columns in the chart are Dec 19, Dec 20 and Mar 21)



2. Personal Debt in the UK

Advice on Problem Debts

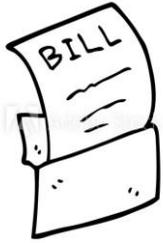
Citizens Advice Bureaux across England and Wales answered **341,842** enquiries in April 2021, **12.9% up** from April 2020.

Debt was the second largest advice category in April 2021 with **55,293** issues, behind Benefits and Tax Credits (**68,877**). Debt calls were **53.9% up** compared with April 2020, while calls about Benefits and Tax credits were up by **24.3%**. Debt represented **14.7%** of all issues dealt with in the year to April 2021. The top three debt categories in April 2021 were fuel debts, Council Tax arrears and credit, store and charge cards. In the year to April 2021, Citizens Advice Bureaux in England and Wales dealt with **1,673** debt issues every *day*.

In Scotland in the year to March 2021, Citizens Advice Scotland answered **987,348** enquiries, with debt enquiries being **10% of the total**, the second largest group after benefits. Debt enquiries fell as a proportion of the total during the first lockdown (April-May 2020) but have subsequently risen to a similar proportion (around **15%**) as prevailed prior to the pandemic.

In Northern Ireland in April 2021, Advice NI's Debt Action service dealt with **278** cases involving debt issues, covering **£1.4 million** of debt. The top three debts were mortgage shortfalls (negative equity), credit cards and mortgage capital.

In its annual report for 2020, StepChange Debt Charity reports that 60% of its new clients in 2020 were female, with 45% of new clients being in the 25-39 age bracket. 50% of new clients were in a vulnerable situation in addition to their debt problem (up from 44% in 2019) with the most common vulnerability being a mental health issue. The most common type of debt affecting new clients was credit card debt (67%) followed by personal loans (52%) and overdrafts (39%). Around one third of new clients had council tax and water arrears, while around one quarter had rent, electricity and gas arrears.



2. Personal Debt in the UK

Individual Insolvencies

There were **27,628** individual insolvencies in England and Wales in February to April 2021, **an increase of 3.2%** from 26,783 for the same period in 2020. This was equivalent to **310** people a day or one person **every 4 minutes and 38 seconds**.

Every day on average in England and Wales, **31** people were made bankrupt, **49** Debt Relief Orders were granted, and **230** Individual Voluntary Arrangements (IVAs) were entered into.

In the 12 months to April 2021, **110,104** individuals, **1 in 426 (0.23%)** of the adult population of England and Wales became insolvent.

In Northern Ireland there were **226** individual insolvencies in April 2021, a rate of **7.5** per day. This comprised **208** Individual Voluntary Arrangements, **9** Debt Relief Orders and **9** bankruptcies. Individual insolvencies for the three months to April 2021 were **up by 49.7%** on the same three months the previous year.

In Scotland there were **662** personal insolvencies in April 2021, a rate of **22.1** per day, comprising **185** bankruptcies and **477** protected trust deeds. Personal insolvencies for the three months to April 2021 were **39.0% lower** than the same period the previous year.

County Court Judgements for Debt

2,610 Consumer County Court Judgements (CCJs) were issued every day in England and Wales in January to March 2021, a **13% fall** on the same period in 2020. The average value was **£1,681**.

In Northern Ireland, there were **11** consumer debt judgements every day in January to March 2021, with an average value of **£3,071**.

In Scotland, **45** consumer debt decrees were registered every day in January to March 2021, with an average value of **£2,710**.



3. Mortgages, Rent and Housing

Mortgage Debt

According to the Bank of England, outstanding mortgage lending stood at **£1,516.2 billion** at the end of March 2021.

- This is up from £1,465.1 billion a year earlier, an increase of **£51.1 billion**.

That means that the estimated average outstanding mortgage for the **11.01 million** households with mortgage debt was **£137,711** in March 2021.

The average mortgage interest rate was **2.09%** at the end of March 2021. Based on this, households with mortgages would pay an average of **£2,878** in mortgage interest over the year.

For new loans, the average mortgage interest rate was **1.96%**. Based on this, First-Time Buyers with mortgages would pay an average of **£3,237** in mortgage interest over the year.

According to the FCA and Bank of England, gross mortgage lending in October to December 2020 was **£76.6 billion**, **4.2% higher** than the same quarter the previous year and the highest quarterly total since before the 2008 crash.

The Financial Conduct Authority reports that **60.0%** of mortgage lending in Q4 2020 was for 75% or less of a property's value.

- **1.2%** of lending was for mortgages for over 90% of a property's value.

58.9% 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.



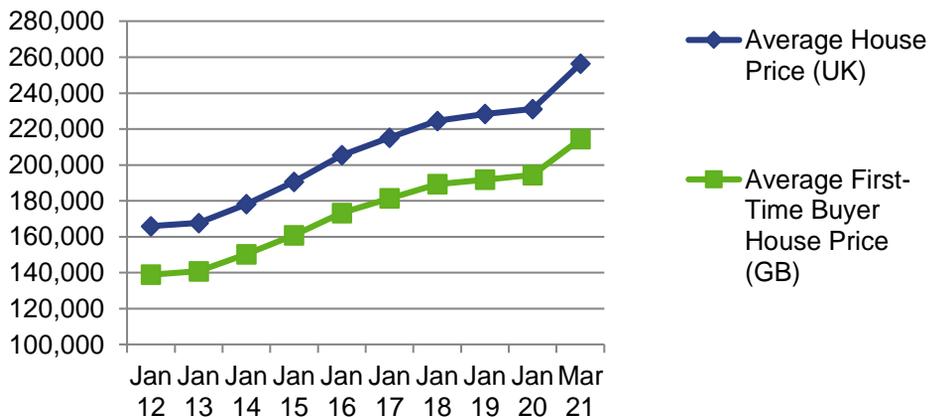
3. Mortgages, Rent and Housing

House Prices

Nationwide estimates that house prices **rose by 2.1%** in April 2021 and were **7.1%** higher than 12 months before. Halifax reports that the average UK house price in April 2021 reached a record high of **£258,204**, rising by **0.9%** in the three months to April 2021 and by **8.2%** in the year to April 2021.

Nationwide, Halifax and HM Land Registry all show sharply higher house prices over the last year, particularly over the summer and autumn of 2020. 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 are similar, with Nationwide being slightly lower.

House Prices (HM Land Registry)



Source: ONS and HM Land Registry

First-Time Buyers

HM Land Registry reports that the average house price for first-time buyers in Great Britain was **£214,452** in March 2021, an annual increase of **9.5%** and a monthly increase 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 **£49,324** in March 2021 based on the above Land Registry first-time buyer price. This is **168.3%** 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 **10.2%** in the year to March 2021 to **£256,405**. The highest rates of increase were in Yorkshire and The Humber (**14.0%**) and North East (**13.7%**). The lowest price increases were in London (**3.7%**) and Northern Ireland (**6.0%**).

The average house price was highest in London (**£500,310**) and lowest in the North East (**£145,893**).

Average House Prices: Nations and Regions – March 2021

Country and Government Office Region	Price	Monthly Change	Annual Change
Yorkshire and The Humber	£188,575	3.4%	14.0%
North East	£145,893	3.0%	13.7%
North West	£187,924	1.2%	12.8%
East Midlands	£219,950	1.9%	12.4%
Wales	£185,431	3.1%	11.0%
South West	£287,650	2.6%	10.9%
West Midlands	£220,982	1.8%	10.7%
Scotland	£166,566	2.8%	10.6%
England	£274,615	1.7%	10.2%
East of England	£315,059	1.2%	9.4%
South East	£348,615	0.9%	7.9%
Northern Ireland (Quarter 1 - 2021)	£149,178	1.1%	6.0%
London	£500,310	1.0%	3.7%

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 **1.2%** in the 12 months to April 2021, **0.1% less** than for the 12 months to March 2020.

Over the year to April 2021, private rental prices increased in Northern Ireland, Wales, Scotland and all the English regions. Northern Ireland (**3.3%**), South West (**2.3%**) and East Midlands (**2.3%**) saw the highest rates of increase. The lowest increases were in London (**0.1%**) and Scotland (**1.0%**).

The median rent in England across all private rental property types for the 12 months to 30 September 2020 was **£725**, according to the Valuation Office Agency and ONS. In London it was **£1,435**.

For a single room with shared facilities, the median monthly private rent was **£403**. In London it was **£650 (61% higher)**.

For two bedrooms, the median monthly private rent was **£695**. In London it was **£1,450 (109% higher)**.

Figures from the Ministry of Housing, Communities and Local Government show that in 2018-19, private renter households in England spent an average of **£867** a month on rental payments. Inclusive of benefits, private renters spent an average of **33%** of their income on rental payments.

Monthly rents in the social housing sector in England were **£459** for housing association renters and **£416** for local authority renters.

In 2018-19, **34%** of households owned their home outright, while **29%** were mortgagors, **19%** rented privately and **17%** 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 2018-2019, only **35.6%** of 16-34 year-olds were owner occupiers. **46.3%** of this age group were private renters.



3. Mortgages, Rent and Housing

Arrears and Repossessions

According to the Financial Conduct Authority, at the end of Q4 2020 there were **170,755** mortgage loan accounts with arrears of more than 1.5% of the current loan balance.

- This is **1.3%** up on revised numbers for the previous quarter and **0.2%** up on Q4 2019.

45.5% of payments due for loans in arrears were received in Q4 2020.

UK Finance reports that **77,640 (0.86%)** of homeowner mortgages had arrears equivalent to at least 2.5% of the outstanding mortgage balance in Q1 2021, **0.3%** up on the previous quarter. Over the last year, mortgages in arrears have increased by **15** a day.

UK Finance estimates that there were **190** homeowner properties taken into possession in the UK in Q1 2021, down from 1,070 in Q1 2020.

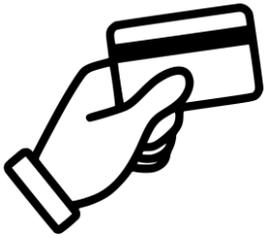
This equates to **2.1** properties being possessed every day, or one property being possessed **every eleven hours and twenty-two minutes**. This low number is due to the pandemic-related moratorium on forced possessions.

In England and Wales, in January to March 2021, according to the Ministry of Justice, every day **8.2** mortgage possession claims were issued and **1.6** mortgage possession orders were made.

71 landlord possession claims were issued and **60.3** landlord possession orders were made every day.

Compared to January to March 2020, mortgage possession claims fell by **85%** and orders by **96%**, while landlord possession claims fell by **74%** and landlord possession orders fell by **72%**. This was due to action by Government and the FCA in response to the Covid-19 pandemic.

However, possession claims and orders increased in Q1 2021 from the very low levels of mid-2020.



4. Spending and Loans

How We Spend

In the year to March 2021, outstanding consumer credit fell by **10.9%** according to the Bank of England, while outstanding levels of credit card borrowing fell by **21.7%**. The largest reduction occurred during the spring 2020 period of lockdown and furlough due to the Covid-19 pandemic, but after slight growth in mid-2020 there were further significant falls from August 2020 to March 2021, though the rate of decline slowed in March 2021.

LINK transaction volumes have fallen steeply since the beginning of the pandemic. On average, **42.8** cash machine transactions (including balance enquiries and rejected transactions) were made **every second** in March 2021, a fall of **26.1%** on March 2020. The total value of transactions fell by **19.5%** over the same period.

- In total, cash machine transactions were worth an average of **£52.40** 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 **60,662** at the end of 2019 to **54,574** at the end of 2020 (a fall of **10.0%**). Free-to-use ATMs fell from **45,355** to **41,727** while pay-to-use ATMs fell from **15,307** to **12,847**.

What We Buy

In Q4 2020, households in the UK spent **£117.1 million** a day on water, electricity and gas, or **£4.20** per household per day. On a seasonally adjusted basis, this was **1.9% more than** the revised figure for Q3 2020.

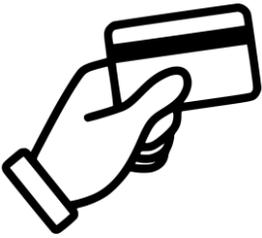
In April 2021 the average price of unleaded petrol **increased by 1.0ppl** to **126.3 ppl**.

- This meant it cost **£63.15** to fill a 50 litre unleaded tank, **£0.50 more than** last month. The average price of diesel **increased by 0.9ppl** to **129.1ppl**.
- This meant it cost **£64.55** to fill a 50 litre diesel tank, **£0.45 more** than last month.
- The price difference between the two fell to **2.8ppl**, a difference of **£1.40** per 50 litre tank.

According to Which? the annual cost for home-charging a compact electric car is around **£400** per year, or **£7.70** per week, based on 9,000 miles driving per year.

Child Poverty Action Group's "The Cost of a Child in 2020" report estimates that couple families now spend **£152,747** on raising a child to their 18th birthday, **£23.25 a day**. This is an increase of **1.4%** over the last year and **7.1%** since the study began in 2012.

- The cost for a lone parent is **£185,413**, an increase of **19.6%** since 2012.
- This comes to **£28.22 a day**.
- For couples in 2020, **23%** of basic costs are covered by child benefit. For lone-parent families in 2020, **17%** 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 **21.29%** in April 2021. This was **21.19%** above the Bank of England Base Rate of **0.1%**.

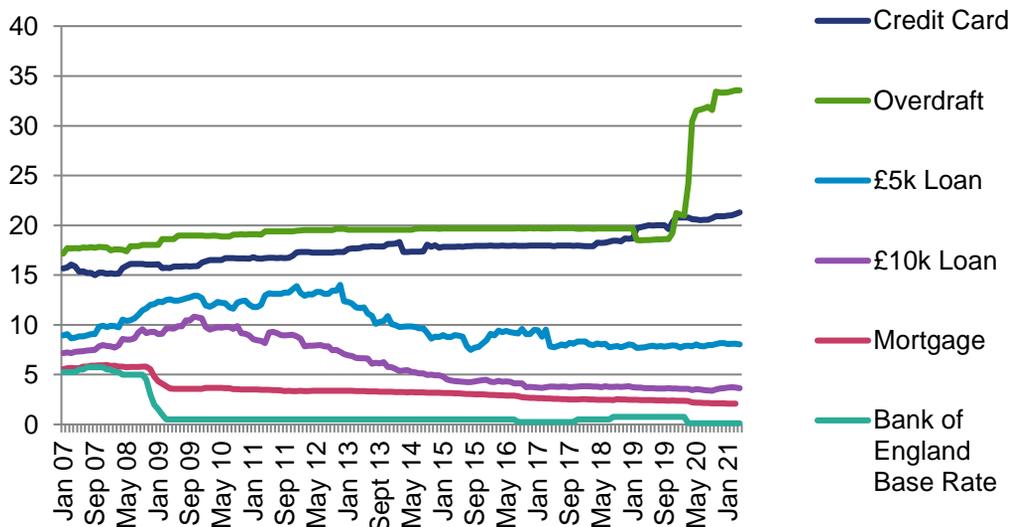
UK Finance figures show that **56.3%** of credit card balances were bearing interest in February 2021.

In April 2021, the average APR for a £5,000 personal loan was **8.05%**, according to the Bank of England. For a £10,000 loan it was **3.65%**, while the average rate for an overdraft was **33.56%**.

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 is only 0.1% is an open question.

Interest Rates (% pa to April 2021)



Source: Bank of England



5. Savings and Pensions

Savings

The average interest rate for an instant access savings account was **0.06%** in April 2021. For a cash ISA, the rate was **0.14%**, down from 0.51% a year ago.

In Q4 2020, households saved an average of **15.6%** of their post-tax income, including benefits, down from the record 25.1% (revised) in Q2 2020, which was more than double the previous peaks in the late 1970s and early 1990s. From 2000 to 2015, the savings rate fluctuated mostly in the 7-10% range, with the most recent pre-Covid peak being 12.7% (revised) in Q1 2010. If someone on the average salary saved 15.6% of their income in an average instant access savings account for a year, they would receive **£2.22** in interest after tax. If they saved it in an average cash ISA, they would receive **£13.40**.

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. If they saved into a cash ISA at the same rate it would also take **11 years**.

In 2020, according to the FCA, **27-34%** of UK adults (**14-18 million people**) had either no savings or less than £1,000 in savings. This was skewed toward younger age groups with **at least 47%** of 18-24 year-olds having less than £1,000 in savings.

Pensions

According to The Pensions Regulator's Compliance Report, at least **10.47 million** workers had joined a pension scheme under auto-enrolment by the end of April 2021, making a total of **22.74 million** members of pensions schemes, but leaving **10.01 million** workers unenrolled, out of the total declared workforce of **32.75 million**.

According to the Family Resources Survey, **52%** of working age adults actively participated in a pension in 2019-20, up **1%** on the previous year. Participation was **75%** for employees and **18%** 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 September 2020, there were **12.4 million** recipients of the State Pension, a fall of **1.6%** on the year before. Of these, **1.6 million** were on the new State Pension (nSP) introduced in April 2016, of whom **740,000** were receiving 100% of the nSP.



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 **7.2 million** basic bank accounts (BBAs) on 30 June 2020, 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 2019 there were **10,405** bank and building society branches in the UK. This was a reduction of **2,940** branches (**-22%**) since 2012. According to Which? **4,188** branches have either been closed or scheduled for closure between January 2015 and December 2021, with the largest numbers of closures in the Southeast, Scotland, Northwest and London.

According to the 2019 Access to Cash Review, **2.2 million** people use only cash in their daily transactions.

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 2020, an increase of **0.7%** over the same period in 2019. There were **411** credit unions, with loans to members to a value of **£1.63 billion**, **36.7%** 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 ONS, **1.11 million** households did not have access to the Internet in Jan-Feb 2020. This included **20%** of households with one adult aged 65+.

Recent research by Turn2us and Fair By Design found that low-income households pay a 'poverty premium' in buying their goods and services of **£478** 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 Turn2us, **4.8 million** people are living without at least one essential household appliance (fridge, freezer, cooker or washing machine).

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 January to March 2021 there were **5.39 million** people aged 18 to 24. Of these, **1.82 million** were in full-time education while **3.28 million** were in employment (including those in full-time education who were also in employment). From March 2020 to March 2021, the number of 18-24 year-olds in employment fell by **190,000**.

Unemployment

447,000 18-24 year olds (**12.0%**) were unemployed in January to March 2021. This was **31,000** more than the same period the previous year.

- Of these, **188,000 (42.1%)** had been unemployed for over 6 months.
- **97,000** had been unemployed for over 12 months, up **13,000** from October to December 2020 and an increase of **34,000 (+53%)** on a year earlier.

797,000 (11.6%) of 16 to 24-year-olds in the UK were not in education, employment or training (NEET) in October to December 2020, an increase of **34,000** over the last year.

Minimum Wage

Minimum wage rates increased in April 2021. For under 18s the new rate will be **£4.62**. The apprentice rate (for those under 19 or in the first year of their apprenticeship) will be **£4.30**. For those aged 18-20, the minimum wage goes up to **£6.56**. For those aged 21-22, **£8.36** and for those aged 23+, **£8.91**. The age for receiving the National Living Wage has dropped from 25+ to 23+.

Wages Paid by Age and Gender

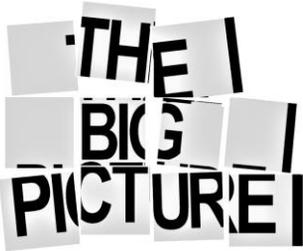
According to ONS, in April 2020 the median weekly pay for all full-time employees was **£586**. For employees aged 16-17 it was **£207**. For those aged 18-21 it was **£350** and for those aged 22-29 it was **£499**. For those aged 16-21, male and female pay was about the same (within the margin of error). For those 22-29, the female median was around **£26** per week less than the male median.

Student Loans

In 2019-20, the provisional average maintenance loan awarded to full-time students in England was **£6,588 (up 5.0%** on the revised figure for the previous year). In Wales it was **£4,651** and in Northern Ireland **£3,117**. The provisional average tuition fee loan in England was **£8,413 (down 0.3%)**. In Wales it was **£6,976 (up 24.2%)** and in Northern Ireland **£5,287**.

Student Debt

In England, the average debt per borrower at the end of 2019-20 was **£25,130**. In Wales it was **£16,704**, in Northern Ireland **£15,099** and in Scotland **£13,589**. The average debt for the latest cohorts to enter repayment was **£40,280** in England (2020), **£24,960** in Wales (2020), **£23,520** in Northern Ireland (2020) and **£13,890** in Scotland (2020).



8. The Bigger Picture

Economy and Inflation

The UK economy grew by **2.1%** in March 2021, further recovering from the Covid-19 lockdown. GDP in March 2021 was **5.9%** below the level of February 2020, according to the latest estimates from the ONS, as a result of the hit to economic activity from pandemic restrictions. Global leading indicators (including for the UK) have turned positive in recent months, suggesting that a strong recovery from the pandemic has begun.

The CPI (Consumer Prices Index) increased by **1.5%** in the year to April 2021, **0.8%** more than the year to March 2021. The highest rates of inflation over the 12 months to April 2021 were for transport (**4.8%**), communication (**2.8%**) and furniture, household equipment and maintenance (**2.7%**). The lowest rate was for food and non-alcoholic beverages (**-0.4%**).

Pay Rates

In the three months to March 2021, regular pay increased by **4.6%** on the year before. Pay including bonuses rose by **4.0%**. According to ONS, the increased averages are in part due to a reduction in the number of lower paid jobs due to the pandemic. Average weekly pay was **£535**, or **£562** including bonuses; an annual salary of **£27,896**, or **£29,304** with bonuses. In real terms, for the year to March 2021, regular pay grew by **3.6%** while total pay grew by **3.1%**. Due to pay growth being lower than inflation for most of the last twelve years, total real pay (**-2.3%**) was below the pre-financial crash peak in February 2008 while regular real pay increased by only **3.4%** over the same period.

Public Sector Borrowing

Public Sector Net Borrowing (excluding NatWest Group and Bank of England) in the three months to March 2021 was **£46.2 billion**, an average borrowing of **£514 million** per day. Spending included **£21.2 billion** net investment, meaning there was a current budget deficit of **£25.1 billion** over the same three months. Total net borrowing for the year to March 2021 was **£298.4 billion**, compared with £57.1 billion for the year to March 2020.

Public sector net debt in March 2021 (excluding NatWest and Bank of England) was **£1,920 billion** (**87.5% of GDP**). This was **£298.4 billion** more than in March 2020, an increase of **£817.5 million** per day, mainly due to the economic impact of Covid-19.

According to the March 2021 Forecast from the Office for Budget Responsibility, public sector net debt will be **106%** of GDP in 2024-25. However, interest on public debt is forecast to be **lower** in relation to revenue in 2024-25 than in 2019-20 due to lower interest rates and the Bank of England's Asset Purchase Facility.



8. The Bigger Picture

Population, Taxpayers and Benefit Recipients

According to the latest ONS estimate, the population of the UK grew by **990** people per day between mid 2018 and mid 2019.

Out of a total working-age population of **54.4 million**, there are projected to be **32.3 million** income taxpayers in 2020-21. Of these, **27.6 million** will be basic rate taxpayers, **4.2 million** people will fall into the 40% income tax band and **481,000** 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 **9.5 million** working-age people claiming benefits in the year to August 2020, according to DWP. Housing benefit was received by **3.0 million** people (of all ages) in the year to November 2020 while **5.9 million** were receiving Universal Credit in December 2020, an increase of **3.0** million since February 2020.

Unemployment

The number of people classed as unemployed in January to March 2021 was **1.62 million** (4.8% of the workforce), **121,000** fewer than the previous quarter, **1,344** fewer per day, but up **258,000** from the previous year, **705 a day**. The unemployment rate in the UK was highest in London (6.8%) and the West Midlands (5.7%) and lowest in South East (outside London) (3.4%) and Northern Ireland (3.6%). **381,000** people had been unemployed for over 12 months in January to March 2021, up by **82,000** (**224 a day**) from a year earlier.

Employment and Unemployment – Older Workers

411,000 people aged 50 and over were unemployed in January to March 2021, a decrease of **15,000** on October to December 2020 but an increase of **107,000** on a year earlier. **33.0%** of unemployed workers aged 50 and over, a total of **136,000** people, had been out of work for over a year. **81,000** had been unemployed for more than two years.

1,302,000 (10.6%) people aged 65 and over were *in work* in January to March 2021, **9,000** fewer than in October to December 2020, and a decrease of **102,000** from the previous year.

Redundancies

153,000 people (**1,700 per day**) reported they had become redundant in January to March 2021, **191,000** fewer than in October to December 2020, but **46,000** more than the year before.

The **MONEY** *Charity*

The Money Charity is the UK's Financial Capability charity.

We believe that being on top of your money means you are more in control of your life, your finances and your debts, reducing stress and hardship. And that being on top of your money increases your wellbeing, helps you achieve your goals and live a happier more positive life as a result.

Our vision is for everyone to be on top of their money as a part of everyday life. We empower people across the UK to develop the skills, knowledge, attitudes and behaviours to make the most of their money throughout their lives.

<https://themoneycharity.org.uk>