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MONEY
Charity

The Money Statistics

November 2021

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The MONEY Charity

Welcome to the November 2021 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

£62,938

Average total debt per UK household in September 2021

£2,058

Average credit card debt per household in September 2021

£3,741

Total unsecured debt per UK adult in September 2021

-5.9%

Change in outstanding credit card balances in year to September 2021

6.2 pence per litre

Increase in the price of unleaded petrol in October 2021

4.2%

Inflation rate in the year to October 2021

11.3%

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

15 years

Time to save for a first-time buyer house deposit, saving at the average rate out of average UK income (at Jan to March 2021 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 **£4.33** a day on water, electricity and gas.
- **313** people a day were declared insolvent or bankrupt in England and Wales in August to October 2021. This was equivalent to one person **every 4 minutes and 37 seconds**.
- In Northern Ireland in October 2021, there were **3.3** insolvencies per day. In Scotland in the three months to September 2021 there were **20.8** insolvencies per day.
- Citizens Advice Bureaux in England and Wales dealt with **1,910** debt issues every day in the year to October 2021.
- **4.5** properties were repossessed every day in July to September 2021 in the UK, or one **every 5 hours and 23 minutes**.
- The number of UK mortgages with arrears of over 2.5% of the remaining balance fell by **1.8** a day in the year to September 2021.
- The number of people unemployed in the UK fell by **548** per day in the twelve months to September 2021.
- **1,130** people a day reported they had become redundant in July to September 2021.
- Net lending to individuals and housing associations in the UK grew by **£182 million** a day in September 2021.
- Government debt increased by **£429 million** a day in the year to October 2021.
- Borrowers paid **£123 million** a day in interest in September 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.
- **30.8** mortgage possession claims and **13.4** mortgage possession orders were made every day in England and Wales in July to September 2021.
- **111** landlord possession claims and **60.9** landlord possession orders were made every day.

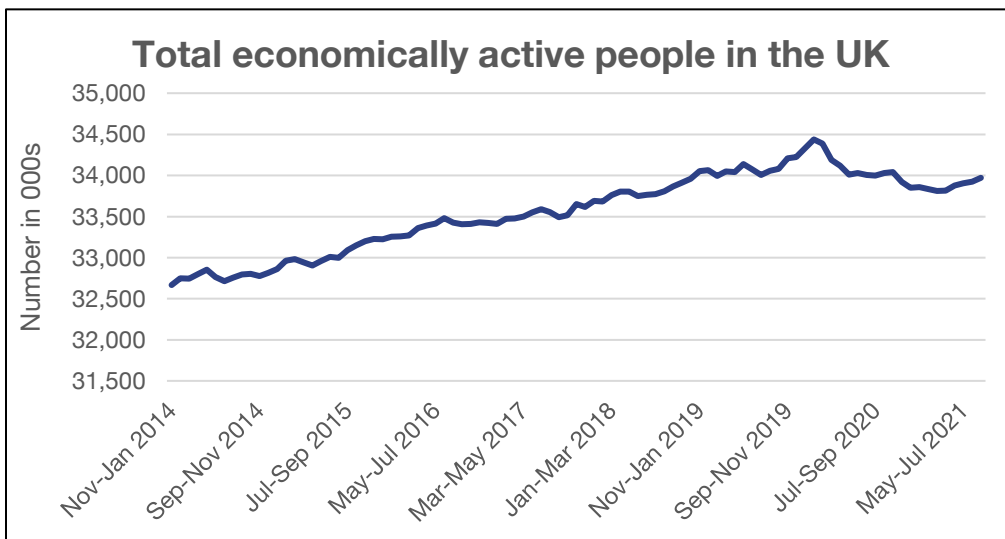


1. Striking Numbers

Arising from Coronavirus pandemic

Policy decisions and economic trends continue to be affected by the impact of the Coronavirus pandemic. This month we focus on the unusual state of the labour market.

With the economy recovering from the effects of the pandemic, the UK labour market has dramatically tightened, with unemployment falling to **4.3%** of the workforce and vacancies rising to a record **1.172 million** (ONS). There have been many news reports of labour shortages, for example of drivers and workers in the agricultural, retail, hospitality and health sectors. What lies behind this is a trend-change in the number of people economically active in the UK, as shown in the chart below. “Total economically active” includes those with jobs and those who are unemployed.



Source: ONS

The total number of economically active people in the UK grew from **32.7 million** in January 2014 to **34.4 million** in February 2020, but then fell to **34.0 million** as at September 2021. The number of “economically inactive” people increased by **600,000** during the pandemic, but one-third of these were of retirement age, leaving about **400,000** of working age who could perhaps be attracted back into the workforce (**1.2%** of the total workforce). Prior to February 2020, the UK’s population was growing strongly (by **two million** between 2014 and 2020), but with Brexit and Covid, this source of growth has stopped. Total population aged 16-64 fell by around **100,000** between February 2020 and September 2021, according to ONS.

The Government and Bank of England have supported demand for goods and services in the UK through furlough, loans, spending and low interest rates. Combine this with the falling number of economically active people and this explains why the UK labour market is so tight.



2. Personal Debt in the UK

Total UK Personal Debt

People in the UK owed **£1,749.2 billion** at the end of September 2021. This is up by **£63.7 billion** from **£1,685.5 billion** at the end of September 2020, an extra **£1,204** per UK adult over the year.

Type of Personal Debt	Total Personal Debt £ billion	Per Household £	Per Adult £
Secured (Mortgages)	£1,551.3 billion	£55,818	£29,331
Unsecured Consumer Debt	£197.9 billion	£7,119	£3,741
Of which, Credit Card Debt	£57.2 billion	£2,058	£1,081
Grand Total (Sept 2021)	£1,749.2 billion	£62,938	£33,072

The average total debt per household, including mortgages, was **£62,938** and per adult was **£33,072**, around **108.6%** of average earnings. This is up from the revised **£32,969** a month earlier.

Based on September 2021 numbers, the UK's total interest payments on personal debt over a 12-month period would have been **£44,744 million**, an average of **£123 million** per day. The average annual interest per household would have been **£1,610** and per person **£846**, **2.78%** of average earnings.

According to the Office for Budget Responsibility's October 2021 forecast, household debt of all types is forecast to rise from **£2,004 billion** in 2020 to **£2,363 billion** in 2025. This would make the average total household debt **£82,957** (assuming household numbers track ONS population projections).

Consumer Credit Debt

At the end of September 2021, outstanding consumer credit lending was **£197.9 billion**, falling by **£124 million** on the revised total for the previous month and **£8.0 billion less** than in September 2020. Within the total, outstanding credit card debt came to **£57.2 billion**, a decrease of **5.9%** (**£3.6 billion**) in the year to September 2021. Credit card debt averaged **£2,058** per household and **£1,081** per adult.

A credit card on the average interest rate would take **24 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 **£54** but would reduce each month. If **£54** were paid *every* month, the debt would be cleared in **5 years and 1 month**.

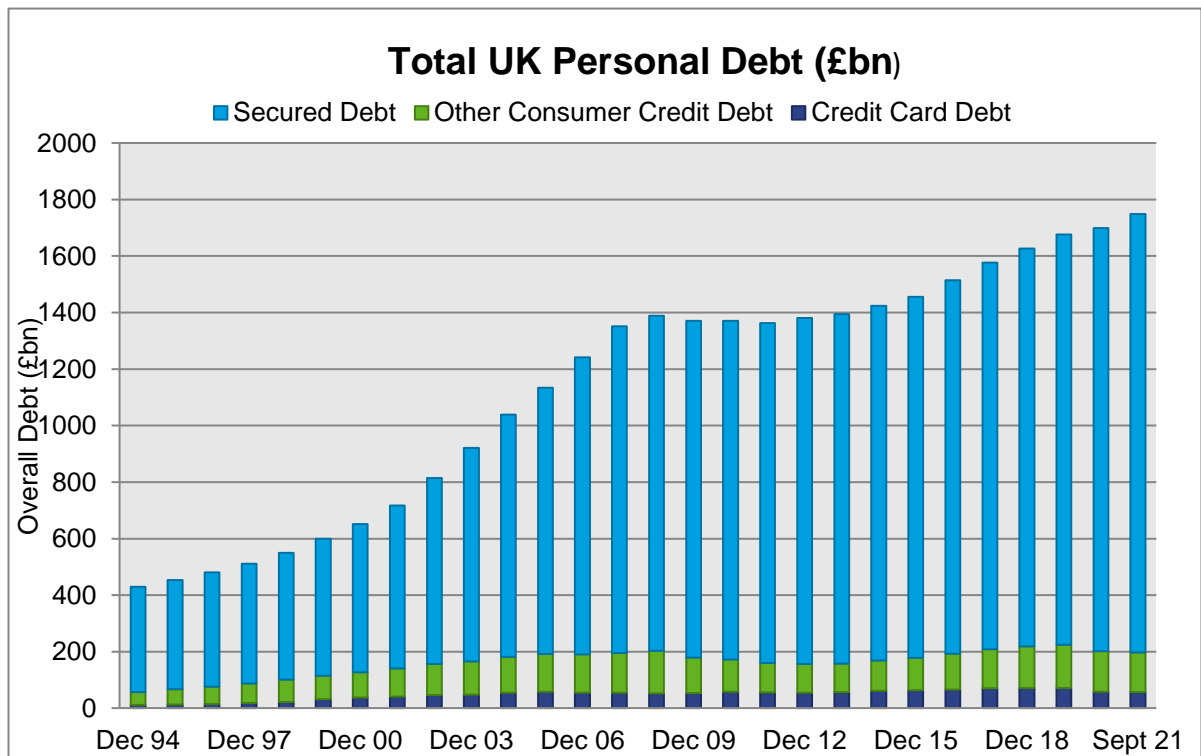


2. Personal Debt in the UK

Net Lending and Write-Offs

Total net lending to individuals and housing associations by UK banks and building societies grew by **£5.5 billion** in September 2021 or **£181.7 million a day** over revised figures for August 2021.

- Net mortgage lending **rose** by **£5.58 billion** in the month, while net consumer credit lending fell by **£124 million**.
- In Q2 2021 lenders wrote off **£958 million** (of which **£366 million** was credit card debt, amounting to a daily write-off of **£4.0 million**).



Bank of England Data to September 2021

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



2. Personal Debt in the UK

Advice on Problem Debts

Citizens Advice Bureaux across England and Wales answered **358,917** enquiries in October 2021, **4.0% down** from October 2020.

Debt was the second largest advice category in October 2021 with **59,952** issues, behind Benefits and Tax Credits (**78,385**). Debt calls were **5.6% up** compared with October 2020, while calls about Benefits and Tax credits were up by **6.3%**. Debt represented **16.2%** of all issues dealt with in the year to October 2021. The top three debt categories in October 2021 were fuel debts, Council Tax arrears and credit, store and charge cards. In the year to October 2021, Citizens Advice Bureaux in England and Wales dealt with **1,910** debt issues every *day*.

In Scotland in September 2021, Citizens Advice Scotland gave **85,970** pieces of advice, with debt advice being **12% of the total**, the same as for April to August 2021. Debt advice in September 2021 was the second largest category after benefits.

In Northern Ireland in October 2021, Advice NI's Debt Action service dealt with **308** cases involving debt issues, covering **£1.1 million** of debt. The top three debts were credit cards, personal loans and mortgage shortfall (negative equity).

In its October 2021 report, StepChange Debt Charity reports that **13,000** new clients received full debt advice in September 2021. StepChange reports rising numbers of people seeking support over fuel debts, before the latest energy price increases took effect. **34%** of new clients were in receipt of Universal Credit and **31%** had a negative budget at the time of seeking advice. **67%** of new clients had a credit card debt and **37%** were behind on Council Tax.



2. Personal Debt in the UK

Individual Insolvencies

There were **28,792** individual insolvencies in England and Wales in August to October 2021, **an increase of 11.4%** from 25,813 for the same period in 2020. This was equivalent to **313** people a day or one person **every 4 minutes and 37 seconds**.

Every day on average in England and Wales, **20** people were made bankrupt, **63** Debt Relief Orders were granted and **229** Individual Voluntary Arrangements (IVAs) were entered into.

In the 12 months to October 2021, **111,154** individuals, **1 in 423 (0.24%)** of the adult population of England and Wales became insolvent.

In Northern Ireland there were **102** individual insolvencies in October 2021, a rate of **3.3** per day. This comprised **95** Individual Voluntary Arrangements, **4** Debt Relief Orders and **3** bankruptcies. Individual insolvencies for the three months to October 2021 were **up by 2.5%** on the same three months the previous year.

In Scotland there were **1,918** personal insolvencies in July to September 2021, a rate of **20.8** per day, comprising **524** bankruptcies and **1,394** protected trust deeds. Personal insolvencies for the three months to September 2021 were **8.4% higher** than the same period the previous year.

County Court Judgements for Debt

2,630 Consumer County Court Judgements (CCJs) were issued every day in England and Wales in July to September 2021, a **116% increase** on the same period in 2020, when the numbers were depressed by Covid forbearance measures. The average value was **£1,560**, according to Registry Trust Ltd.

In Northern Ireland, there were **8** consumer debt judgements every day in July to September 2021, with an average value of **£3,570**.

In Scotland, **38** consumer debt decrees were registered every day in July to September 2021, with an average value of **£3,280**.



3. Mortgages, Rent and Housing

Mortgage Debt

According to the Bank of England, outstanding mortgage lending stood at **£1,551.3 billion** at the end of September 2021. This is up from £1,479.6 billion a year earlier, an increase of **£71.7 billion**.

That means that the estimated average outstanding mortgage for the **11.04 million** households with mortgage debt was **£140,517** in September 2021.

The average mortgage interest rate was **2.05%** at the end of September 2021. Based on this, households with mortgages would pay an average of **£2,881** in mortgage interest over the year.

For new loans, the average mortgage interest rate was **1.79%**. Based on this, First-Time Buyers with mortgages would pay an average of **£3,110** in mortgage interest over the year.

According to the FCA and Bank of England, gross mortgage lending in April to June 2021 was **£89.0 billion**, **102% higher** than the same quarter the previous year (depressed by lockdown) and the highest quarterly total since before the 2008 crash.

The Financial Conduct Authority reports that **60.4%** of mortgage lending in Q2 2021 was for 75% or less of a property's value. **2.0%** of lending was for mortgages for over 90% of a property's value.

60.0% 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.



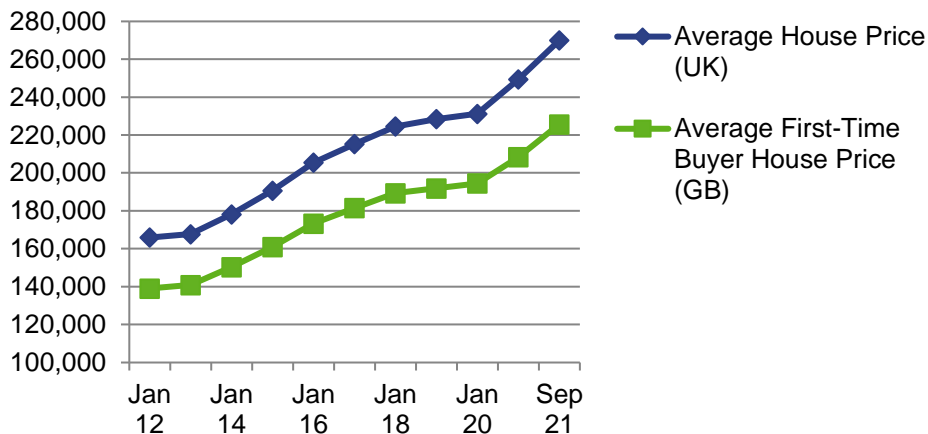
3. Mortgages, Rent and Housing

House Prices

Nationwide estimates that house prices **rose by 0.7%** in October 2021 and were **9.9%** higher than 12 months before. Halifax reports that the average UK house price in October 2021 was **£270,027**, rising by **2.3%** in the three months to October 2021 and by **8.1%** in the year to October 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 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)



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 **£225,607** in September 2021, an annual increase of **11.3%** and a monthly increase of **2.7%**.

According to UK Finance, the typical first-time buyer deposit in December 2019 was **23%** of the purchase cost, which would average **£51,890** in September 2021 based on the above Land Registry first-time buyer price. This is **170.4%** 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 **11.8%** in the year to September 2021 to **£269,945**. The highest rates of increase were in North West (**16.8%**) and Wales (**15.4%**). The lowest price increases were in London (**2.8%**) and East of England (**9.3%**). After increasing in August, prices were sharply up again in September (**+2.5%**).

The average house price was highest in London (**£507,253**) and lowest in the North East (**£152,776**).

Average House Prices: Nations and Regions – September 2021

Country and Government Office Region	Price	Monthly Change	Annual Change
North West	£203,661	5.3%	16.8%
Wales	£196,216	2.5%	15.4%
East Midlands	£231,318	4.9%	14.7%
North East	£152,776	3.8%	13.3%
Scotland	£180,334	-0.4%	12.3%
Yorkshire and The Humber	£192,354	4.0%	11.9%
South East	£370,886	3.0%	11.7%
South West	£301,327	4.0%	11.7%
West Midlands Region	£231,501	3.1%	11.7%
England	£287,895	2.9%	11.5%
Northern Ireland (Quarter 3 - 2021)	£159,109	3.0%	10.7%
East of England	£327,982	1.7%	9.3%
London	£507,253	-2.9%	2.8%

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 **1.5%** in the 12 months to October 2021, up from **1.3%** for the 12 months to September 2020.

Over the year to September 2021, private rental prices increased in Northern Ireland, Wales, Scotland and all the English regions. Northern Ireland (**4.3%**), East Midlands (**2.9%**) and the South West (**3.0%**) saw the highest rates of increase. The lowest increases were in Wales (**1.2%**) and London (**0.1%**).

The median rent in England across all private rental property types for the 12 months to 31 March 2021 was **£730**, according to the Valuation Office Agency and ONS. In London it was **£1,430**.

For a single room with shared facilities, the median monthly private rent was **£412**. In London it was **£675 (63.8% higher)**.

For two bedrooms, the median monthly private rent was **£700**. In London it was **£1,450 (107.1% higher)**.

Figures from the Ministry of Housing, Communities and Local Government show that in 2019-20, private renter households in England spent an average of **£871** per month on rental payments. Inclusive of benefits, private renters spent an average of **31.9%** of their income on rental payments. The rental share of income was highest for single person (**41.1%**) and low income households (**56.4%**).

Monthly rents in the social housing sector in England were **£459** for housing association renters and **£429** for local authority renters.

In 2019-20, **34.9%** of households owned their home outright, while **29.7%** were mortgagors, **18.7%** rented privately and **16.7%** 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 2019-2020, only **40.9%** of 25-34 year-olds were owner occupiers. **41.8%** of this age group were private renters and **17.3%** were social renters.



3. Mortgages, Rent and Housing

Arrears and Repossessions

According to the Financial Conduct Authority, at the end of Q2 2021 there were **163,326** mortgage loan accounts with arrears of more than 1.5% of the current loan balance.

- This is **4.3%** less than revised numbers for the previous quarter and **5.1%** down on Q2 2020.

50.4% of payments due for loans in arrears were received in Q2 2021.

UK Finance reports that **74,210 (0.82%)** of homeowner mortgages had arrears equivalent to at least 2.5% of the outstanding mortgage balance in Q3 2021, **2.7%** down on the previous quarter. Over the last year, mortgages in arrears have decreased by **1.8** a day.

UK Finance estimates that there were **410** homeowner properties taken into possession in the UK in Q3 2021, up from 160 in Q3 2020.

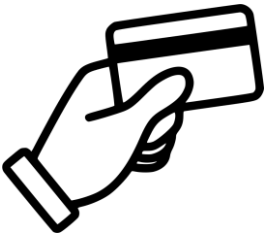
This equates to **4.5** properties being possessed every day, or one property being possessed **every five hours and twenty-three minutes**. This low number is due to the pandemic-related moratorium on forced possessions.

In England and Wales, in July to September 2021, according to the Ministry of Justice, every day **30.8** mortgage possession claims were issued and **13.4** mortgage possession orders were made.

111 landlord possession claims were issued and **60.9** landlord possession orders were made every day.

Compared to Q3 2019 (pre-lockdown), mortgage possession claims fell by **59%** and orders by **70%**, while landlord possession claims fell by **64%** and landlord possession orders fell by **75%**. 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 September 2021, outstanding consumer credit **fell by 3.9%** according to the Bank of England, while outstanding levels of credit card borrowing fell by **5.9%**. The largest reductions occurred from August 2020 to March 2021. Since April 2021, outstanding consumer credit has grown slightly, with variations from month to month.

After falling steeply at the beginning of the pandemic, LINK transaction volumes have begun to recover. On average, **52.5** cash machine transactions (including balance enquiries and rejected transactions) were made **every second** in October 2021, an increase of **2.0%** on October 2020. The total value of transactions increased by **3.1%** over the same period.

- In total, cash machine transactions were worth an average of **£50.90** 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 Q2 2021, households in the UK spent **£120.5 million** a day on water, electricity and gas, or **£4.33** per household per day. On a seasonally adjusted basis, this was **1.7% less** than the revised figure for Q2 2020.

In October 2021 the average price of unleaded petrol **increased by 6.2pppl to 141.4 pppl**.

- This meant it cost **£70.70** to fill a 50 litre unleaded tank, **£3.10 more** than last month.

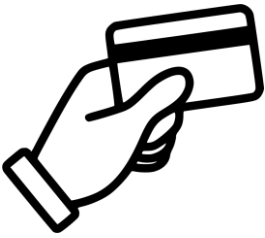
The average price of diesel **increased by 8.0pppl to 144.9pppl**.

- This meant it cost **£72.45** to fill a 50 litre diesel tank, **£4.00 more** than last month.
- The price difference between the two grew to **3.5pppl**, a difference of **£1.75** 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 **21.49%** in October 2021. This was **21.39%** above the Bank of England Base Rate of **0.1%**.

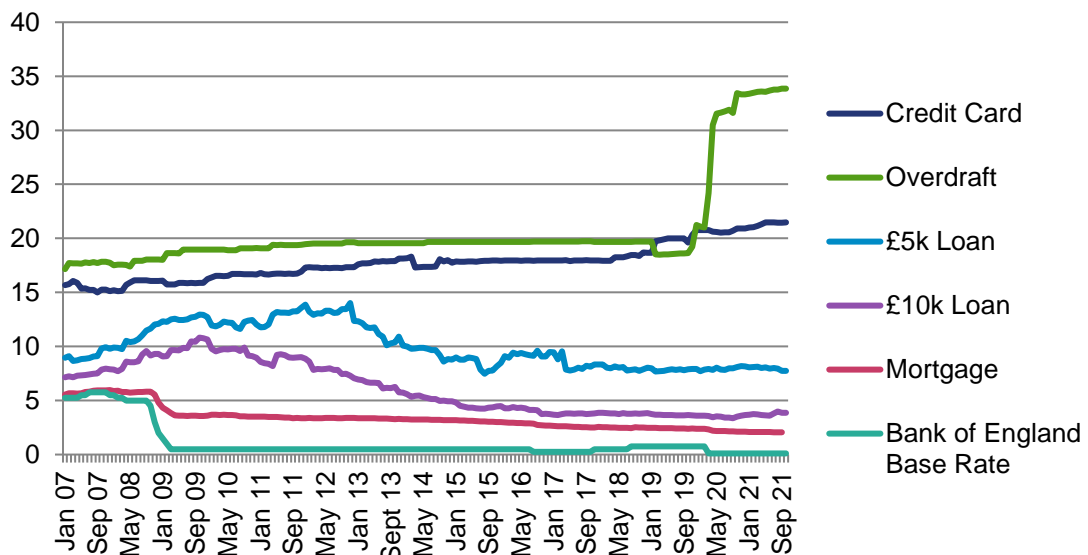
UK Finance figures show that **53.7%** of credit card balances were bearing interest in August 2021.

In October 2021, the average APR for a £5,000 personal loan was **7.73%**, according to the Bank of England. For a £10,000 loan it was **3.85%**, while the average rate for an overdraft was **33.84%**.

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 (% per year to October 2021)



Source: Bank of England



5. Savings and Pensions

Savings

The average interest rate for an instant access savings account was **0.11%** in October 2021. For a cash ISA, the rate was **0.18%**, down from 0.26% a year ago.

In Q2 2021, households saved an average of **11.3%** of their post-tax income, including benefits, down from the record 22.5% (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 11.3% of their income in an average instant access savings account for a year, they would receive **£3.03** in interest after tax. If they saved it in an average cash ISA, they would receive **£6.19**.

It would take **15 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 **15 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 **10.58 million** workers had joined a pension scheme under auto-enrolment by the end of October 2021, making a total of **22.92 million** members of pensions schemes, but leaving **10.21 million** workers unenrolled, out of the total declared workforce of **33.14 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 May 2021, there were **12.41** million recipients of the State Pension, an increase of **54,232** on February 2021. Of these, **2.05 million** were on the new State Pension (nSP) introduced in 2016, an increase of **168,479** on February 2021.



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 2020 there were **9,560** bank and building society branches in the UK. This was a reduction of **850** branches (**-8.2%**) from the year before. 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 South East, Scotland, North West and London.

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, **1.91 million** adults were members of credit unions in April to June 2021, a **decrease of 0.2%** over the same period in 2020. There were **402** credit unions, with loans to members to a value of **£1.62 billion**, **36.2%** 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+.

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 July to September 2021 there were **5.33 million** people aged 18 to 24. Of these, **1.90 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 September 2020 to September 2021, the number of 18-24 year-olds in employment grew by **47,000**.

Unemployment

379,000 18-24 year olds (**10.4%**) were unemployed in July to September 2021. This was **140,000** fewer than the same period the previous year and **27,000 fewer** than in April to June 2021.

- **143,000 (37.7%)** had been unemployed for over 6 months.
- **77,000** had been unemployed for over 12 months, **8,000 fewer** than from April to June 2021 and **21,000 fewer (-21.6%)** than a year earlier.

631,000 (9.3%) of 16 to 24-year-olds in the UK were not in education, employment or training (NEET) in April to June 2021, a decrease of **144,000** over the last year.

Minimum Wage

Minimum wage rates increased in April 2021. For under 18s the new rate is **£4.62**. The apprentice rate (for those under 19 or in the first year of their apprenticeship) is **£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

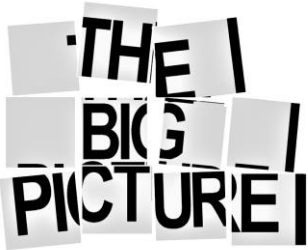
According to ONS, in the year to April 2021 the median weekly gross pay for all full-time employees was **£611**. For employees aged 16-17 it was **£220**. For those aged 18-21 it was **£374** and for those aged 22-29 it was **£521**. For those aged 16-17, male and female full-time pay was the same, but female FT pay as a percentage of male FT pay dropped to **94%** for those aged 18-29 and then gradually by age to reach **81%** for the 50-59 age group.

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 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 **0.6%** in September 2021, continuing the recovery from the winter Covid-19 lockdown. GDP in September 2021 was **0.6%** below the level of February 2020, according to the latest estimates from the ONS. Global leading indicators are positive but have cooled over the last month, suggesting that the economic recovery from the pandemic may be starting to peak.

The CPI (Consumer Prices Index) increased by **4.2%** in the year to October 2021, **1.1%** higher than the year to September 2021. The highest rates of inflation over the 12 months to October 2021 were for transport (**9.9%**), housing services including energy (**6.8%**) and restaurants and hotels (**6.3%**). The lowest rate was for clothing and footwear (**-0.4%**). According to ONS, increasing motor fuel costs and higher home energy prices were significant contributors to the higher CPI.

Pay Rates

In the three months to September 2021, regular pay increased by **4.9%** on the year before. Pay including bonuses rose by **5.8%**. According to ONS, these numbers are amplified by base rate and composition effects (see September edition of The Money Statistics, page 4.1). Average weekly pay was **£544**, or **£584** including bonuses; an annual salary of **£28,366**, or **£30,451** with bonuses. In real terms, for the year to September 2021, regular pay grew by **2.2%** 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 (**+0.0%**) was the same as the pre-financial crash peak in February 2008 while regular real pay increased by only **2.7%** over the same period.

Public Sector Borrowing

Public Sector Net Borrowing (excluding NatWest Group and Bank of England) in the three months to October 2021 was **£56.2 billion**, an average borrowing of **£610 million** per day. Spending included **£13.8 billion** net investment, meaning there was a current budget deficit of **£42.4 billion** over the same three months. Total net borrowing for the year to October 2021 was **£219.8 billion**, compared with **£231.7 billion** for the year to October 2020.

Public sector net debt in September 2021 (excluding NatWest and Bank of England) was **£1,986.7 billion (83.0% of GDP)**. This was **£156.5 billion** more than in October 2020, an increase of **£428.8 million** per day, mainly due to the economic impact of Covid-19.

According to the October 2021 Forecast from the Office for Budget Responsibility, public sector net debt will fall from **98.2%** of GDP in 2021-22 to **94.7%** of GDP in 2024-25. Interest on public debt is forecast to be equivalent to **1.8%** 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 **9.9 million** working-age people claiming benefits in February 2021, according to DWP. In May 2021, housing benefit was received by **2.8 million** people (of whom 1.7 million were working age). In July 2021, **5.9 million** people were receiving Universal Credit, an increase of **2.9** million from March 2020 (before the first lockdown).

Unemployment

The number of people classed as unemployed in July to September 2021 was **1.45 million** (**4.3%** of the workforce), **152,000** fewer than the previous quarter, **1,652** fewer per day and down **200,000** from the previous year, **548 a day**. The unemployment rate in the UK was highest in London (**5.6%**) and the North East (**5.1%**) and lowest in the South West (**3.3%**). **454,000** people had been unemployed for over 12 months in July to September 2021, up by **121,000** (**332 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

361,000 people aged 50 and over were unemployed in July to September 2021, a decrease of **13,000** on April to June 2021 and also down **13,000** on a year earlier. **43.4%** of unemployed workers aged 50 and over, a total of **157,000** people, had been out of work for over a year. **90,000** had been unemployed for more than two years.

1,378,000 (**11.2%**) people aged 65 and over were *in work* in July to September 2021, **95,000 more** than in April to June 2021 and an increase of **55,000** from the previous year.

Redundancies

104,000 people (**1,130 per day**) reported they had become redundant in July to September 2021, **5,000** more than in April to June 2021 but **213,000** fewer than the year before.

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