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

(BEGINS)

**Prices and Labour Supply Bring Heavy Pressure**

**on UK Household Budgets**

**The Money Statistics November 2021**

**UK household budgets continue to be heavily pressured from all sides, with both international and national factors adding unexpected challenges into the mix, according to the November 2021 Money Statistics, produced by The Money Charity.**

Significant challenging effects are being seen across the board on UK household budgets, driven by factors both expected and unexpected. In the year to October 2021, the inflation rate increased to **4.2%**[[1]](#footnote-1), alongside petrol prices rising sharply by **6.2 pence per litre**[[2]](#footnote-2) in the month of October alone, to an average total of **141.4 pence per litre**.

Within the headline overall inflation rate, transport prices went up by **9.9%**[[3]](#footnote-3), household services including energy by **6.8%**[[4]](#footnote-4), with restaurants and hotels rising by **6.3%**[[5]](#footnote-5).

These higher prices are partly driven by international pressures, but within the UK, the Government’s pandemic spending, combined with ongoing low Bank of England interest rates, has led to demand increasing faster than supply. This has caused unemployment to fall and prices to rise. In September 2021, the unemployment rate fell to **4.3%**[[6]](#footnote-6), while job vacancies rose to a record **1.172 million**[[7]](#footnote-7).

Alongside the effects of Covid-19 and Brexit, the UK also finds itself bumping up against the issue of available labour supply. Additional analysis in this month’s Money Statistics report shows that for the first time in many years, the numbers of economically active people in the UK have fallen significantly, from **34.4 million** in February 2020 to **34.0 million**[[8]](#footnote-8) in September 2021. During this period, the total working-age population has also fallen, meaning there is no large, ready supply of labour to more easily enable the economy to grow. This trend has played a leading role in the labour shortages being seen in so many industries.

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

“The pressure of inflation is becoming severe, meaning that many UK households will see real incomes falling over this winter and beyond, heavily impacting on their Financial Wellbeing. Policy-makers urgently need to think hard about how to turn this situation around, particularly if they aim to bring about the future ‘high-wage economy’ that has been widely promised.

“For most people, these major financial forces feel overwhelming and far beyond our own control. However, as we help people to think through in our Financial Wellbeing Workshops and Webinars, the key principles of Financial Capability still apply, helping to control the things that are within their own hands. Namely, implementing and using a robust, considered budget, planning your income and expenditure in circumstances good and bad, as well as engaging with saving wherever possible.”

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

* **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**. *(P8.)*
* The average first-time buyer house price increased by **11.3%** in the year to September 2021. *(P10.)*
* The average credit card debt per UK household in September 2021 was **£2,058**. *(P5.)*

**Get the full picture and many more fascinating facts about money in the UK in our monthly** [**Money Statistics**](https://themoneycharity.org.uk/money-statistics/)**.**

Notes to Editors

* For over 25 years, The Money Charity has been the UK’s Financial Capability charity. We proactively provide education, information, advice and guidance to people of all ages, to reach our vision of seeing everyone achieving Financial Wellbeing by managing their money well. We empower people across the UK to develop the skills, knowledge, attitudes and behaviours to make the most of their money throughout their lives. Find out more at <https://themoneycharity.org.uk/>
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* If you’ve any questions, comments, or want any information about the source of these statistics, please contact us through hello@themoneycharity.org.uk
* Any media or press enquiries should be directed to our Communications & Marketing Manager, James Yelland, on james@themoneycharity.org.uk

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1. (The Money Statistics November 2021 Full Report, P19) [↑](#footnote-ref-1)
2. (The Money Statistics November 2021 Full Report, P14) [↑](#footnote-ref-2)
3. (The Money Statistics November 2021 Full Report, P19) [↑](#footnote-ref-3)
4. (The Money Statistics November 2021 Full Report, P19) [↑](#footnote-ref-4)
5. (The Money Statistics November 2021 Full Report, P19) [↑](#footnote-ref-5)
6. (The Money Statistics November 2021 Full Report, P20) [↑](#footnote-ref-6)
7. (The Money Statistics November 2021 Full Report, P4.1) [↑](#footnote-ref-7)
8. (The Money Statistics November 2021 Full Report, P4.1) [↑](#footnote-ref-8)