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

(BEGINS)

**Economic Recovery From Pandemic Remains In Transition**

**The Money Statistics October 2021**

**The UK’s economic recovery from the pandemic remains in a point of transition, with every sign of a positive measure being equally met by a challenge, according to the October 2021 Money Statistics, produced by The Money Charity.**

During October 2021, the UK economy continued its recovery from the significant effects seen throughout the last 18 months, but positive signs continued to be balanced by ongoing or upcoming issues of concern. In its widest sense, the economy has continued to recover, with GDP during August 2021 only **0.8%**[[1]](#footnote-1) lower than it was pre-pandemic, in February 2020.

Alongside this, a more positive picture developed with employment, as unemployment fell to **1.51 million**[[2]](#footnote-2)(**4.5%** of the workforce) from June to August 2021. Of particular encouragement was this measure for young people, with unemployment amongst those aged 18-24 falling to **395,000**[[3]](#footnote-3)(10.8% of the total), **98,000** fewer than the same period last year.

Each positive must be balanced with a new or ongoing challenge though and, with furlough coming to an end in September, a large number of employees will either have to be taken back on by their employers, be made redundant or choose to retire.

In addition to this significant moment, several other factors weigh heavily on household budgets. Firstly, the £20 per week Universal Credit uplift coming to an end[[4]](#footnote-4). Secondly, the energy price cap rising by **£139** (or **£153** forpre-paid meters)[[5]](#footnote-5) and thirdly, inflation continuing at over **3%**[[6]](#footnote-6) in September and forecast to reach 4% by the end of the year.

Alongside these squeezes on weekly finances, it is unsurprising to see continuing evidence of new forms of debt, such as Buy Now Pay Later (BNPL), surging over the last year, with Citizens Advice saying **£39 million**[[7]](#footnote-7) has been paid by BNPL users in late fees.

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

“With each hopeful sign countered by a challenge of real concern, along with many relatively unknown factors still to play out, a deeply challenging winter of heavy pressures on UK household budgets seems certain.

“For people across the UK to continue striving for increased Financial Wellbeing, it will be essential that people rise to this challenge by being as resourceful as they can in managing their money well, from making their incomes stretch further to making sustainable choices and avoiding unmanageable debt.”

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

* Outstanding credit card balances fell by **8.4%** in the year to August 2021. *(P5.)*
* It would take **15 years** for a first-time buyer to save for a deposit, at the average saving rate out of the average UK income. *(P16.)*
* On average, a UK household spends **£4.33** a day on water, electricity and gas. *(P14.)*

**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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* Any media or press enquiries should be directed to our Communications & Marketing Manager, James Yelland, on [james@themoneycharity.org.uk](mailto:james@themoneycharity.org.uk)

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1. (The Money Statistics October 2021 Full Report, P19) [↑](#footnote-ref-1)
2. (The Money Statistics October 2021 Full Report, P20) [↑](#footnote-ref-2)
3. (The Money Statistics October 2021 Full Report, P18) [↑](#footnote-ref-3)
4. (The Money Statistics October 2021 Full Report, P4.1) [↑](#footnote-ref-4)
5. (The Money Statistics October 2021 Full Report, P4.1) [↑](#footnote-ref-5)
6. (The Money Statistics October 2021 Full Report, P4.1) [↑](#footnote-ref-6)
7. (The Money Statistics October 2021 Full Report, P4.1) [↑](#footnote-ref-7)