

Press Release – The Money Charity – For Immediate Release

(BEGINS)

**Household Budgets Battle to
Keep Pace with Rising Food Bills**
The Money Statistics April 2023

Soaring rises in the cost of food and drink are fuelling ongoing high inflation and causing hard-pressed UK households to need to rely more on credit products, according to the April 2023 Money Statistics, produced by The Money Charity.

Keeping up with the most everyday basic needs appears to be proving more and more challenging for households across the UK, forcing many to make stark spending choices or resorting to accessing financial options they may not otherwise have considered. In the year to March 2023, the price of food and drink rose at its fastest rate in over 45 years, **19.1%**¹, up from **18.2%** in the year to February 2023.

These ongoing rises have been a significant factor in the overall inflation rate having increased to **10.1%**² in the year to March 2023, albeit down **0.3%** from the year to February. However, these significant increases still aren't the highest rate of inflation seen in the 12 months to March 2023, which was housing, water, electricity, gas and other fuels at **26.1%**.

With food prices rising alarmingly, many consumers are being seen to be resorting to using credit to cover these costs. **70%**³ of Buy Now Pay Later users report that they are paying through these means more often as a direct result of the cost of living crisis. With many BNPL operators now actively promoting paying for groceries, takeaways and drinks this way, more consumers are following suit. While a range of payment options increases consumer choice, broadly a positive principle, research is currently showing that **24%**⁴ of BNPL users are missing monthly repayments, suggesting a problematic crossover between affording basics and taking on unsustainable debt.

Organisations supporting people with food needs report a similar picture, with the Trussell Trust saying in their latest available figures that between April and September 2022, their network distributed **1.3 million**⁵ food parcels, a **52%** increase on the same period in 2019.

Michelle Highman, Chief Executive of The Money Charity says:

“Affording what should inarguably be the most basic of everyday needs is becoming ever more difficult for far too many UK households and, as has often been said, it feels that this should be unthinkable. But increasingly, these problems seem to be the norm, rather than the exception they should be.

“Households taking on additional, unmanageable debt is never a good thing, but when this is being done to afford life's essentials, the need for change becomes pressing. It's clear that

¹ (The Money Statistics April 2023 Full Report, P4.1)

² (The Money Statistics April 2023 Full Report, P19)

³ (The Money Statistics April 2023 Full Report, P4.1)

⁴ (The Money Statistics April 2023 Full Report, P4.1)

⁵ (The Money Statistics April 2023 Full Report, P4.1)

urgent action needs to be taken to arrest these deeply concerning trends if the UK is to take further, progressive steps towards greater Financial Wellbeing for everyone.”

Other Striking Numbers from the April Money Statistics:

- **5%** of people in poor health have ‘great’ levels of Financial Resilience, compared to **30%** of people in good health. *(P4.1.)*
- The number of people unemployed in the UK fell by **255** per day in the twelve months to January 2023. *(P20.)*
- Borrowers paid **£162 million** a day in interest in February 2023. *(P5.)*

Get the full picture and many more fascinating facts about money in the UK in our monthly 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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 - 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.
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