

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

(BEGINS)

**A Challenging Cost of Living Christmas**  
**The Money Statistics December 2023**

**Following a difficult financial year for many UK households, Christmas looks likely to be a similarly challenging period, according to the December 2023 Money Statistics, produced by The Money Charity.**

In the months and weeks leading up to the end of 2023, the UK's financial numbers give an overview of the difficult landscape being faced and the effects this may have on many people's Christmas spending plans. According to the Office for Budget Responsibility's November 2023 forecast, household debt of all types is forecast to rise from **£2,259 billion** in 2023 to **£2,429 billion** in 2025, making the average total household debt **£85,274<sup>1</sup>** (assuming household numbers track ONS population projections.)

Against these levels, **52%<sup>2</sup>** of people in the UK report that they will spend less on Christmas this year due to the rising cost of living. Just **3%** expect to spend more than usual while about a third (**36%**) say they will spend the same as they normally do. Separate findings say that the average UK household will spend **£1,811.70<sup>3</sup>** on Christmas festivities this year, the equivalent of **80%** of the average monthly UK income. 30 years ago the average spend was **£229** meaning, adjusted for inflation, the 'cost of Christmas' has risen **290%** in three decades.

Meanwhile in the year to September 2023, the overall rise in the cost of living amongst the lowest income UK households has been calculated at **8.2%<sup>4</sup>**, in comparison to a **6.7%** rise in benefits over the same period. Private rental prices in the UK rose by **6.1%<sup>5</sup>** in the 12 months to October 2023, up from a revised **5.7%** for the 12 months to September 2023. The estimated average outstanding mortgage, for the **10.77 million** households with mortgage debt, was **£151,076<sup>6</sup>** as of October 2023.

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

"It isn't surprising that, after a year typified by ongoing cost of living challenges, this would have its own effect in turn on people's Christmas. Many will be having to carefully consider their choices, looking at what to perhaps forego or where savings can be made. Others may choose different routes, such as taking on more heavy or unsustainable debt in order to 'afford' the Christmas they want.

"While this picture has brought little festive cheer, some comfort can be taken at least from the direction of travel with some of the UK's financial figures, with small shoots of improvement possibly on the way heading into the new year. With that in mind, we look expectantly towards 2024 as a year where we will see more consistently positive news for the UK's Financial

<sup>1</sup> (The Money Statistics December 2023 Full Report, P5)

<sup>2</sup> (The Money Statistics December 2023 Full Report, P4.1)

<sup>3</sup> (The Money Statistics December 2023 Full Report, P4.1)

<sup>4</sup> (The Money Statistics December 2023 Full Report, P4.1)

<sup>5</sup> (The Money Statistics December 2023 Full Report, P12)

<sup>6</sup> (The Money Statistics December 2023 Full Report, P9)

Wellbeing. With our sessions continuing to engage many thousands of people of all ages with Financial Education and Financial Wellbeing, we'll keep playing our vital role in seeing a healthier financial future for everyone."

### **Other Striking Numbers from the December Money Statistics:**

- **19%** of purchases in the UK were made with notes and coins in 2022, up from 15% in 2021. Until 2015, more than half of transactions were made this way. (P4.1.)
- Citizens Advice Bureaux in England and Wales dealt with **1,083** debt issues every day in the year to November 2023. (P7.)
- **1,109** people a day reported they had become redundant in May to July 2023. (P20.)

### **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 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.
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