

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

(BEGINS)

**Households Continue to Face Challenge of Spend or Save**  
**The Money Statistics July 2024**

**Household saving ratios continue to climb upwards as more seek to take advantage of higher interest rates, but many are still challenged by their ability to find the right balance between saving and spending, according to the July 2024 Money Statistics, produced by The Money Charity.**

Recent months have seen a gradual increasing of the ratio at which UK households are saving and while a positive sign, other figures indicate the picture is more complicated. In Q1 2024, the household savings ratio reached **11.3%**<sup>1</sup>, this is the highest the ratio has been since Q2 2021 (11.9%), although still well below the Q2 2020 level of 27.3%, which was heavily inflated by the effects of the pandemic and lockdown.

However, while this rate is and has been increasing, it is estimated that **39%**<sup>2</sup> of individuals aged between 22 and the State Pension age are under-saving for retirement. If people are beginning to save more, but with less of an eye on their later life, this could indicate that the sharp financial shocks of recent times have moved people's financial perspective to more immediate options, ensuring a healthy buffer for any short-term shocks, rather than longer-term financial planning.

The significant challenge entailed in achieving one of the most common financial savings goals, affording a deposit on a house, further illustrates this. In May 2024, the average first-time buyer deposit was around **£44,812**<sup>3</sup>, which is **125.1%** of the average UK salary. According to the Skipton Group's Home Affordability Index, from the top 25% of UK earners, only **44%**<sup>4</sup> of these would be able to purchase their first home in the area in which they currently live. For those with mortgages, the average UK mortgage debt per adult is **£34,537** around **96%**<sup>5</sup> of average earnings.

These factors inevitably impact on people's spending choices and in Q1 2024, household daily spend on utilities was down compared to Q3 2023, although this was only a fairly minor change equating to **£1.12** per month<sup>6</sup>. At the same time, housing and utilities saw the lowest rate of inflation in the year to June 2024 at **-4.7%**<sup>7</sup>. Typically households would cut down on spending in order to put more aside for savings goals or security, but in the current times, even this may not be a goal many are able to achieve.

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

"Engaging with savings as a regular and planned habit, whether it's a lot or very little, has always been a cornerstone piece of Financial Wellbeing and part of what we communicate in our Workshops and Webinars. Whether it's saving towards the longer-term in life, a medium-term life

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<sup>1</sup> (The Money Statistics July 2024 Full Report, P16)

<sup>2</sup> (The Money Statistics July 2024 Full Report, P4.1.)

<sup>3</sup> (The Money Statistics July 2024 Full Report, P10)

<sup>4</sup> (The Money Statistics July 2024 Full Report, P4.1.)

<sup>5</sup> (The Money Statistics July 2024 Full Report, P5)

<sup>6</sup> (The Money Statistics July 2024 Full Report, P14)

<sup>7</sup> (The Money Statistics July 2024 Full Report, P19)

goal or just ensuring you have enough to be covered in the immediate, in good or bad unexpected circumstances, these are all healthy parts of helping people to be comfortable with their finances.

“After the considerable growth we saw in savings during the pandemic, the size and relentless nature of the financial shocks society has since gone through have taken a heavy toll on this progress. There remains much to be done but, as has been the case recently, this month’s figures again show some green shots of what we hope is the recovery of many household budgets towards a firmer and more sustainable financial footing.”

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

- There were **889,000** job vacancies between April and June 2024. (P4.1.)
- Borrowers paid **£213 million** a day in interest in May 2024. (P5.)
- **49,000** working days were lost to labour disputes in May 2024. (P4.1.)

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

#### Notes to Editors

- For 30 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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