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

(BEGINS)

**Heavy Wage Falls Exacerbate Steepling Cost of Living**

**The Money Statistics June 2022**

**Wages falling at record levels are pushing ever more people into financial distress as living costs continue to skyrocket, according to the June 2022 Money Statistics, produced by The Money Charity.**

With average wages falling at the fastest rate in twenty years (since records began in 2001), pay growth is falling far short of keeping up with the steepling cost of living. This shortfall is coming about despite record numbers of job vacancies and very low rates of unemployment.

In real terms, for the year to April 2022, regular pay decreased by **3.4%**[[1]](#footnote-1), while total pay fell by **2.7%**[[2]](#footnote-2). However, after adjusting for inflation, currently at the highest rate in 40 years, annual growth in regular pay, excluding bonuses, has fallen by **4.5%**, or including bonuses, by **3.7%**.

With the annual inflation rate at **9.1%**[[3]](#footnote-3), recent research has shown that some families are actually experiencing faster inflation than official figures have indicated. One report has calculated an annual rate closer to **13%**[[4]](#footnote-4)forthe average two-child household, meaning families with two children are on average paying an extra £400 a month just for essential goods and services.

Meanwhile, Citizen’s Advice are reporting that they are seeing the highest proportion of their clients with negative budgets, meaning they have more essential spending going out than incomes coming in, since their records began at **46%**[[5]](#footnote-5).

Another cause for concern is the rises in homeowner property repossessions, which are moving up closer towards their pre-pandemic levels. The government’s moratorium on these during the pandemic will have eased this concern for a time, but with this now lifted, rates are rising. UK Finance estimated that there were **580**[[6]](#footnote-6) UK homeowner properties repossessed in Q1 2022, up from 200 in Q1 2021. This total equates to **6.4** properties being repossessed every day, or one every **3 hours and 43 minutes**[[7]](#footnote-7).

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

“One of the fundamental Financial Wellbeing learnings we help people engage with in our Workshops, Webinars and Resources is how to best manage your income and expenditure. Thinking both those things through carefully and honestly to find the best way to make them balance is a cornerstone of good money management. In the current financial circumstances however, these simple methods are becoming ever harder to harness, with people across the UK seeing the cost of even their most basic necessary expenditures rising rapidly, while their incomes stagnate or lag far behind this rate of change.

“The scenario means more and more people will struggle, while some may be forced to make starker spending choices, others may opt to take on more work beyond their capacity, still others will quickly find themselves in severe difficulties and financial distress. It’s a deeply challenging time and we continue to call on those who can affect change to keep doing so. Meanwhile, for anyone finding themselves in difficulties, or seeing it coming, we’d urge them to seek out the many free advice and support sources available sooner, rather than later.”

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

* **8/10** workers who had to work at home during the pandemic say they plan to continue with hybrid working now that restrictions have ended. *(P4.1.)*
* The number of people unemployed in the UK fell by **973** per day in the twelve months to April 2022. (*P20.)*
* **63%** of people from ethnic minority groups have seen their cost of living negatively impacted by the pandemic, compared to **59%** of all UK adults. *(P4.1.)*

**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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* You may use any of the statistics quoted in this release, or within The Money Statistics, as long as:
	+ You don’t make any commercial or financial gain from their use;
	+ 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.
* If you’d like The Money Statistics emailed to you every month as soon as they’re published, please sign up at: <https://themoneycharity.org.uk/money-statistics/>
* 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 June 2022 Full Report, P19) [↑](#footnote-ref-1)
2. (The Money Statistics June 2022 Full Report, P19) [↑](#footnote-ref-2)
3. (The Money Statistics June 2022 Full Report, P19) [↑](#footnote-ref-3)
4. (The Money Statistics June 2022 Full Report, P4.1) [↑](#footnote-ref-4)
5. (The Money Statistics June 2022 Full Report, P4.1) [↑](#footnote-ref-5)
6. (The Money Statistics June 2022 Full Report, P13) [↑](#footnote-ref-6)
7. (The Money Statistics June 2022 Full Report, P13) [↑](#footnote-ref-7)