

Press Release – The Money Charity – For Immediate Release

(BEGINS)

Incomes Battle Expenditures as Winter Approaches
The Money Statistics November 2024

Increases in average salaries are still struggling to overcome ever rising costs in core expenditure for many UK households, with more signs of people leaning into credit to make ends meet, according to the November 2024 Money Statistics, produced by The Money Charity.

Hard-pressed UK households will have welcomed the news of average salary rises but much of the benefit of these increases is barely being felt, with the cost of many essential items continuing their upward rise. In the three months to September 2024, regular pay increased by **4.8%**¹, with the average salary reaching **£33,495** excluding bonuses or **£36,291** including bonuses.

Despite these rising incomes, consumer credit was also seen to be increasing quickly, by **£14 billion**² in the year to September 2024, indicating that people are struggling to balance their incomes and expenditures. According to Citizens Advice, **32%**³ of renters used credit to pay for their rent in the year to July 2024. These findings tally with an ongoing upward trend in rental prices, increasing by **8.7%**⁴ in the year to October 2024, with the median monthly rent for a one-bedroom flat now sitting at **£1,049**, or **£1,632** in London.

All of this credit needs to be serviced and comes against the backdrop of interest rates remaining high despite the reduction in the Bank of England Base Rate, with the average credit card interest rate sitting **19.83%**⁵ higher above the Base Rate in October 2024. Annual interest payments per UK household average **£2,855** and **£1,501**⁶ per person, equating to 4.14% of average annual earnings.

Meanwhile the Consumer Price Index increased to **2.3%**⁷ in the year to October 2024, largely due to rises in gas and electricity prices.

Michelle Highman, Chief Executive of The Money Charity says:

“The perennial challenge of properly balancing income with expenditure is the foundation of all budgeting and a central building block for people increasing their Financial Wellbeing. Every month we’re engaging thousands of people of all ages with this area, encouraging them to develop their skills, knowledge, attitudes and behaviours to best equip them to face down this challenge.

“But the very valid question for many remains, how can these be balanced under heavy pressure, when one side of the equation keeps increasing at a far greater pace than the other? This tension demonstrates the financial dilemma increasingly more UK households are facing. The last few

¹ (The Money Statistics November 2024 Full Report, P19)

² (The Money Statistics November 2024 Full Report, P5)

³ (The Money Statistics November 2024 Full Report, P4.1)

⁴ (The Money Statistics November 2024 Full Report, P12)

⁵ (The Money Statistics November 2024 Full Report, P15)

⁶ (The Money Statistics November 2024 Full Report, P5)

⁷ (The Money Statistics November 2024 Full Report, P19)

years have been incredibly tough on people's budgets and many are feeling out of control and helpless, unable to harness their money to make the financial decisions they feel are right for themselves and their families. Circumstances clearly remain deeply challenging right across the UK."

Other Striking Numbers from the November Money Statistics:

- **62%** of people in receipt of Carer's Allowance live in poverty. (P4.1.)
- The number of UK mortgages with arrears of over 2.5% of the remaining balance increased by **18.1** a day in the year to September 2024. (P13.)
- Between July and September 2024, the UK employment rate was **74.8%**. (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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