

Press Release – The Money Charity – For Immediate Release

(BEGINS)

Families Bear Heavy Impact of Cost of Living
The Money Statistics October 2023

UK families are bearing some of the heaviest brunt of the ongoing cost of living crisis, with many resorting to drastic measures, according to the October 2023 Money Statistics, produced by The Money Charity.

Households with children in the UK are reporting that they are being more heavily impacted by the rising cost of living. In London, **25%**¹ of working parents say they've had to skip meals, or not buy food for themselves, in order for their children to eat. The same research suggests that **11%**² of London's working families have less than £3 a day to spend on food. Meanwhile, **one in seven (15%)**³ families surveyed has missed an essential payment such as a housing bill, loan or credit card payment in the month to September 2023. This comes at a time when parents may have struggled to afford new school year costs such as uniforms, stationery and other education essentials. The same figure for those with no children is **5%**.

This could be due to the increasing cost of raising children, with available government support limited, which is estimated at a total of **£160,692** from birth to their 18th birthday, **£24.44 a day**, an increase of **12.6%**⁴ since the study began in 2012. The equivalent cost for a lone parent is **£193,801, £29.50 a day**, a **25%**⁵ increase for the same period. It estimates that **22%** of couple's basic costs are covered by child benefit, or **16%**⁶ for lone-parents. The two-child benefit cap is a factor here, with an estimated **1 in 10 UK children (1.5 million)**⁷ affected by the limit, which it is suggested 'loses' affected families **£50 per week** on average.

All of this inevitably impacts families' Financial Resilience, with **39%** of UK households in 2021-22 having either no savings or less than £1,500. For lone-parent households, this figure is **79%**⁸. Furthermore, those on low incomes are already proven to be paying more for essential goods and services, with the typical 'poverty premium' estimated at around **£4.5 million a year**⁹ per parliamentary constituency, equating to over **£430 per year** for a low-income household.

Michelle Highman, Chief Executive of The Money Charity says:

"This month's statistics make for some very sober reading. While focus is so often given to inflation figures in their headline moment, much less attention is usually available for the truest demonstration of its deep impacts, which are typically seen further down the line. With so many people of all ages even struggling to cover the costs of just their essentials, it's a difficult scene to face up to and a major challenge in our mission to see the UK increase its Financial Wellbeing."

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

² (The Money Statistics October 2023 Full Report, P4.1)

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

⁴ (The Money Statistics October 2023 Full Report, P14)

⁵ (The Money Statistics October 2023 Full Report, P14)

⁶ (The Money Statistics October 2023 Full Report, P14)

⁷ (The Money Statistics October 2023 Full Report, P4.1)

⁸ (The Money Statistics October 2023 Full Report, P16)

⁹ (The Money Statistics October 2023 Full Report, P17)

“For that vision to continue progressing, we believe we need to see more; more healthy and sustained economic growth, more effective and targeted assistance to those who most need it, plus more improvements in the financial landscape, focused on improving outcomes for and treatment of UK consumers. But individuals and groups can effect their own change too, whether it’s trying to budget for the first time, starting a savings habit, or just booking one of our Financial Education or Financial Wellbeing sessions. Every step taken truly does make a difference.”

Other Striking Numbers from the October Money Statistics:

- **1/3** of households living in fuel poverty are ineligible for government cost of living support. (P4.1.)
- Borrowers paid **£184 million** a day in interest in August 2023. (P5.)
- **13%** of UK adults are going without electricity or gas at least monthly. (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 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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- Any media or press enquiries should be directed to our Communications & Marketing Manager, James Yelland, on james@themoneycharity.org.uk

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