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Better thinking about money

Debt Facts and Figures - Compiled 1st December 2008

***** Note: a "Christmas Season" special report has been included this month and a new section giving "other key national statistics" was added for the first time last month *****

Total UK personal debt

Total UK personal debt at the end of October 2008 stood at **£1,455bn**. This has increased 4.7% in the last 12 months which equates to an increase of ~ £64bn.

Personal debt has forged ahead of UK GDP which, according to latest available data, currently stands at £1,410bn having increased by 5.1% over the past year.

Total secured lending on dwellings at the end of October 2008 stood at **£1,220bn**. This has increased 4.5% in the last 12 months.

Total consumer credit lending to individuals at the end of October 2008 was **£235bn**. This has increased 5.5% in the last 12 months.

Total lending in October 2008 grew by £1.3bn; secured lending grew by £0.5bn in the month**;** consumer credit lending grew by £0.8bn.

Average household debt in the UK is ~ **£9,633** (excluding mortgages). This figure increases to **£21,952** if the average is based on the number of households who actually have some form of unsecured loan.

Striking numbers

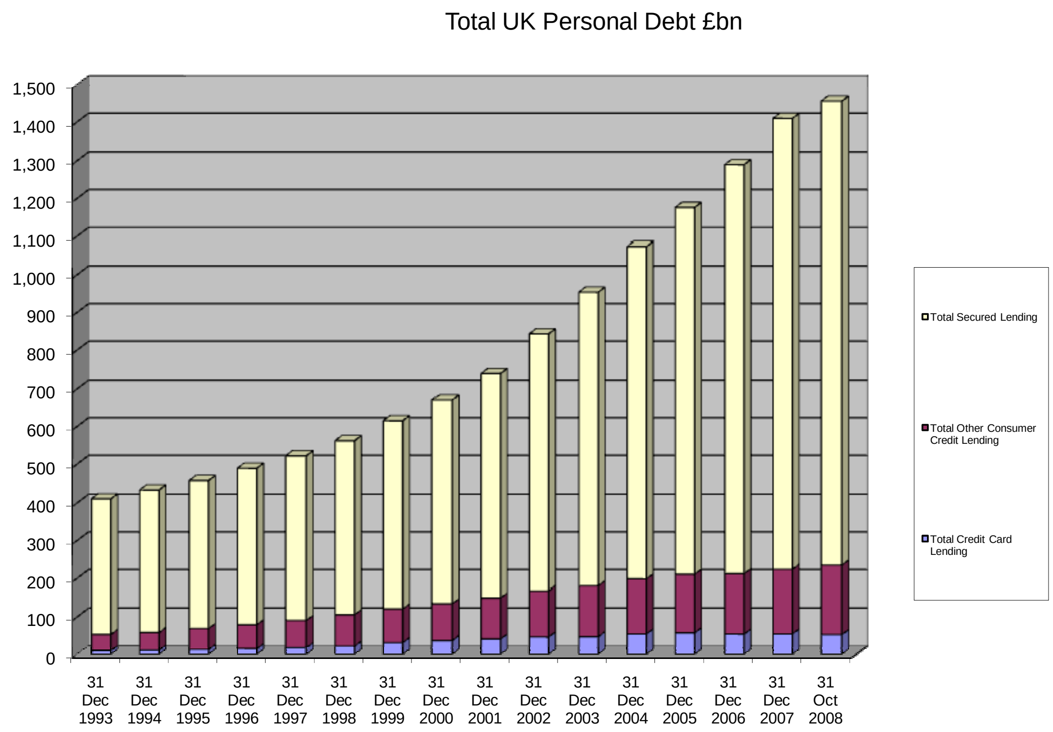
£1m every 9 min
growth in UK debt in 2008
£175m
daily increase in UK debt
£59,630
average household debt (including mortgages)
£262m
interest paid in UK daily
124
properties repossessed daily
1,522 people
unemployed every day
1 person every 4.8 minutes
declared bankrupt or insolvent
£95
average daily decrease in house prices since Dec 2007

Average household debt in the UK is ~ **£59,630** (including mortgages).
Average owed by every UK adult is ~ £30,398 (including mortgages).
Average outstanding mortgage for the 11.7m households who currently have mortgages now stands at **~ £103,903.**

Britain's interest **repayments on personal debt have soared to £95.9bn** in the last 12months. The average interest paid by each household on their total debt is approximately **£3,930** each year.

Average consumer borrowing via credit cards, motor and retail finance deals, overdrafts and unsecured personal loans has risen to **£4,911** per average UK adult at the end of October 2008.

During 2008 Britain's personal debt has increased by **~ £1 million every 9 minutes**.



Today in the UK:

- Consumers will borrow an additional £175m today
- Consumers will pay £262m in interest today
- The average household debt will increase by over £7.20 today
- **298 people today** will be declared insolvent or bankrupt. KPMG estimate this will increase to **411 people a day in 2009** or **1 person becoming bankrupt or entering into an Individual Voluntary Arrangement (IVA) every 3.5 minutes.**
- 1,990 Consumer County Court Judgements (CCJs) will be issued
- **124 properties were repossessed every day during the last 3 months** to end September 2008. The Council of Mortgage lenders estimates this will increase to approximately **162 a day (a 31% increase)** during the fourth quarter of 2008.
- **Unemployment increased by 1,522 people every day** during 3 months to end September 2008. **This will increase to an average of 1,700 every day until mid 2010** according to the CBI.
- **£109m** is the interest the Government has to pay each day on the UKs net debt of £640.9bn.
- 422 mortgage possession claims will be issued and 323 mortgage possession orders will be made today
- 405 landlord possession claims will be issued and 308 landlord possession orders will be made today.
- 27.4m plastic card transactions will be made today with a total value of £1.56bn.
- Approximately 18,000 credit card applications are being rejected every day.
- Citizen Advice Bureaus dealt with **4,760 debt problems** every day during the last 12 months
- The average car will cost £16.80 to run today
- £504m will be withdrawn from cash machines today.
- 1/3rd of all groceries we buy today will end up in the dustbin.

Christmas Season (Special Report):

In spite of the current economic turmoil, 57% of UK consumers say they intend to spend the same this Christmas as they did last year. 24% of respondents say they will spend less and 19% say they will spend more. For many people in the UK, this year will be Christmas as usual.

In 2008 it is estimated that consumers will spent on average £655 (food and drink £170; Gifts £359; Socialising £126) per person compared with £706 in 2007. This increases to **£856 per person** if you include cards and postage £53, Christmas tree and decorations £64 and travel £84.

Four out of ten consumers don't start their Christmas shopping until December and 30% do not expect to finish until Christmas Eve.

The ghost of Christmas past continues to knock on some doors as nearly 1 in 4 (24%) Brits are still paying off credit costs from last Christmas. Over a third of people on a lower income (34%) are still paying off their bills from last Christmas.

Cash-strapped families who turn to credit to pay for Christmas could be setting themselves up for a New Year debt disaster, children's charity Action for Children is warning. Their survey found that a quarter of people planning to borrow over the festive period will use catalogue credit, a fifth are planning to use store cards and one in seven are planning to go to doorstep lenders – three of the four most expensive sources of credit.

4.4 million people bought goods online on Christmas Day 2007 and spent a total of £84m which was 269% more the previous year.

There were **263 plastic card transactions per second throughout December 2007** (690m transactions in total) - 44 transactions per second more than in 2007. Spending on plastic in December 2007 reached £32.2bn and £5.4bn was spent on plastic online

Research from Sainsbury's Finance estimated that only 61% of people expected to clear their Christmas expenditure by the end of January 2008.

Online shopping reached an all time high in the run up to Christmas 2007, with £15.2 billion spent online in October to December 2007

Grant Thornton estimated that excessive Christmas spending would fuel at least a third (~ 10,000) of all personal insolvencies in the first three months of 2008.

Festive spending sprees might be as much a part of Christmas as turkey and mince pies, but research from Alliance & Leicester Savings reveals that 42 per cent of Brits were worried about their spending in the run up to Christmas last year.

Financial Services Authority (FSA) research shows that 48% of people are more likely to go on a diet or book a holiday than try and sort out their finances in January (13%); while just under a quarter (24%) of 16 to 44-year-olds are worried or scared about their bills arriving in the new year. The survey also found that 58% of people either didn't know what Christmas was going to cost them, or if they did know, they overspent anyway

According to the Halifax just over one third (36%) set a budget for Christmas. Those aged 16-24 were least likely to plan their finances (21% set a budget) with those aged 25-34 the most likely (42%), closely followed by those aged 65+ (40%). Although a minority of us do set a budget, once we've set one most of us stick to it. Almost three quarters (73%) said they stick to their budget once they have set one.

Other key national statistics:

There were **4,001 Company insolvencies** (compulsory liquidations and creditors' voluntary liquidations) in total in England and Wales in the third quarter of 2008 (on a seasonally adjusted basis). This was an increase of 10.5% on the previous quarter and an increase of 26.3% on the same period a year ago.

The new car market fell for a sixth successive month in October. The decline was the steepest recorded so far in 2008 and was more like the falls reported in 1991. New car registrations fell 23.0% in October to 128,352 units and year-to-date volume is down 8.8% to 1,922,771 units.

At the end of October 2008 the **public sector net debt (PSND) was £640.9 billion**, equivalent to **42.9%** of gross domestic product and **equivalent to £20,674 per tax payer.**

The interest the Government had to pay on this debt in October was £3.39bn. This is equivalent **to £109 for every tax payer in the UK.**

In the 2008 Pre-Budget Report (published on 24th November 2008) Public Sector Net Borrowing (**PSNB) was revised to £77.6bn (an 82.5% increase** from the 2008 budget estimate published in March) and Public Sector Net Debt **(PSND) was revised upwards to £602bn or 41.2% of GDP** (48.9% of GDP if you include financial sector interventions to stabilise the banking system).

In 2009 / 2010 PSNB is estimated to reach £118bn and PSND is estimated to reach £729bn (48.2% of GDP or 54.7% of GDP if you include financial sector interventions to stabilise the banking system). PSND is estimated to reach **£1,084bn or 57.4% of GDP** (excluding financial sector interventions to stabilise the banking system) by March 2014 which is **equivalent to £35,000 per tax payer.**

Sales volume for all retailing in the three months August to October showed no growth compared with the previous three months. Total sales volume was 2.2 per cent higher than the same period a year ago which is the lowest growth since April 2006.

The current Government estimate (31st March 2006) of the combined liability of the **unfunded public sector pension schemes is £650bn.** This liability is estimated to be in the order of £1,000bn today. The annual cost to the taxpayer of the unfunded schemes is projected to increase by 40% over the next twenty years, from 1.0% of GDP (£14bn) to 1.4% of GDP in 2027/8.

The Bank of England said in the November Inflation report that the economy probably **entered recession in the second half of 2008**. Recession is two successive quarters of what is known as "negative growth" in gross domestic product GDP (GDP). The third quarter of 2008 saw GDP down 0.5% compared with the previous quarter the first quarter of falling output since 1992. GDP is likely to be in negative territory throughout 2009.

According to the IMF output is forecast to contract 0.3% in advanced economies on a full-year basis in 2009, the first such fall in the post-war period. It now predicts that the US economy will shrink by 0.7% in 2009 and in the **UK GDP will plunge by 1.3%** which is the highest predicted fall in any advance economy.

UK base rate fell to a 53 year low when the official bank rate was reduced by 1.5% to 3.0% on 6th November 2008. This was the **largest drop since March 1981, over 27 years ago.**

The number of **unemployed people increased by 140,000 (1,522 a day)** to 1.825m over the quarter to September 2008. This is the **highest figure in 11 years** since November 1997.

The CBI (Confederation of British Industry) predicts that the recession will now run for most of 2009 and see **unemployment peak close to 2.9m by mid 2010 (9% of the working population) which is an increase of over a million people**. This would equate to an average of 1,700 **people being made unemployed every day from now until mid 2010.**

Cheaper transport costs saw the Consumer Prices Index (CPI) annual **inflation fall to 4.5% in October**, down from 5.2% in September. This deceleration by 0.7% points is the biggest slow-down since January 1997 when official CPI records began and the largest since April 1992, based on constructed historical data. It is anticipated that CPI will fall below 2% in 2009 with a risk that we might enter a period of deflation (CPI in negative territory).

The FTSE stood at 4288 at close of play at the end of November. This was **2,144 points lower (- 33%)** than the same time last year. Also £1 was worth $1.5345 dollars which is **52 cents lower (- 25%)** than the same time last year.

In 2001, UK bank customer lending was comparable to customer deposits. But by 2008 H1, the surplus of lending over deposits — the customer funding gap — was **£700 billion**.

The Bank of England's October Financial Stability Report states: "Pressures on the UK banking system have been arguably as severe as at any time since the beginning of the First World War." It estimates **total losses from the crisis to stand at $2.8 trillion (£1.8 trillion)** – with $1.58 trillion lost in the US and £122.6 billion in the UK.

Servicing Debt: CCCS have seen a 41% increase in the number of calls to their helpline during the last 4 months (ending October 2008).

The Council of Mortgage Lenders said that there were 11,300 mortgaged properties repossessed in the third quarter of 2008. This was **12% higher** than the second quarter of 2008. This equates to **124 properties being repossessed every day.** This will increase to approximately **162 a day in the fourth quarter** of the year based on their estimate that 45,000 properties will be repossessed during 2008.

The Insolvency Service said there were 27,087 individual insolvencies in England and Wales (**298 people a day or 1 every 4.8 minutes)** in the third quarter of 2008 on a seasonally adjusted basis. This was an **increase of 8.8%** on the previous quarter and an increase of 4.6% on the same period a year ago.

KPMG predicts 110,000 personal insolvencies by the end of 2008 and 150,000 personal insolvencies in 2009 (which would be equivalent to **411 people a day** or **1 person becoming bankrupt or entering into an Individual Voluntary Arrangement (IVA) every 3.5 minutes).**

The number of County Court Judgments (CCJs) were 179,076 in Q2 2008 which is equivalent to **1,990 every day**. Consumer judgments increased by 3.1% from Q2 2007.

Research from Scottish Widows, reveals that the cost of running a home means that almost half (47%) of households are having to rely on more than one breadwinner to maintain a comfortable standard of living. This increases when it comes to those with dependent children, 61% of households with children are reliant on two incomes, forcing both parents out to work.

The FSA estimate that the total number of secured loans on people's homes in **arrears at the end of Q2 were 312,000** which is 2.58% of all secured loans. This is an increase of 3% on Q1 and 16% up on a year earlier.

More than one in ten (11%) cash-strapped borrowers have missed payments on either their mortgage, credit card, or personal loan in the last six months, according to MoneyExpert.com. They estimate at least five million finance related bills have been missed with credit cards proving the greatest burden. Around 4m credit card customers have admitted missing a payment in the six months to September. The number of people missing payments on personal loans has increased considerably relative to the previous six month period. In the six months to September 1.3 million people missed a loan repayment, compared to 859,000 in the six months to January.

The number of people who have failed to pay their gas and electricity bills has soared, according to MoneyExpert.com. The amount of electricity bills that have gone unpaid in the past six months has jumped from 1.31 million to 1.96 million and approximately 1.61 million Brits missed a gas bill compared to 1.16 million in the final six months of 2007. The research shows around 12 per cent of adults – around 5.37 million people - have missed a household bill of some sort in the past six months including everything from gas and electricity to council tax, fixed and mobile phones and private or council rent.

In 2007/8 the Citizens Advice service saw 1.9 million clients with 5.54 million issues, of which 1.7 million issues related to debt (31.3% of all enquiries). Debt is the number one issue advised on in bureaux and equates to **4,760 new debt problems every day of the year.** The most recent figures for July to September 2008 (Q2 2008/9) show a 51% increase in new mortgage and secured loan enquiries and a 10% increase in fuel debts compared to the same period last year (Q2 2007/8).

Almost **two out of three people who take out a loan to consolidate their debts go on to borrow more** while still repaying that loan, according to research from the moneysupermarket.com. 44% would consider consolidating their debt again, showing it is often not a one-off solution.

More than one fifth of UK households are now struggling to keep up with their bills according to R3. Five million households are now finding keeping up with bills a constant struggle or have fallen behind with their commitments. In addition to that, nearly 15m households say their financial circumstances have got worse in the past 6 months

The number of households in fuel poverty in the UK rose to 3.5m in 2006, one million more than in 2005. Around 2.75 million of these were low income vulnerable households. Fuel poverty is defined as households who spend more than 10% of their income on fuel.

The number of people suffering from serious debt problems is much higher than official figures suggest, a survey by R3 has found. 600,000 UK residents say they are currently repaying debts under a Debt Management Plan (DMP). A DMP is an unofficial, but formalised agreement between an individual who is in financial strife and their creditors which does not show up in the government's official quarterly insolvency statistics.

British parents are going into debt so their children don't miss out. Nearly a third (29%) go into their overdrafts and over a quarter (27%) take out a loan or use credit cards to fund children's expectations. Over half (52%) of parents work extra hours and just over a quarter (26%) take on a second job, despite having to sacrifice time with the kids.

The number of people who spend more than they earn each month has risen to nearly 5.3 million according to Legal and General.

According to a recent Ipsos Mori poll 17% said they will not be able to keep up with debts (e.g. credit cards); 14% said they will not be able to keep up with their mortgage payments and 18% said they will not be able to afford to buy enough food for you their family.

Plastic card / Personal Loans: Since January 2007 the level of credit card debt held by CCCS clients has increased by almost 19 percent, mainly in the past few months. CCCS counsellors are now dealing with almost 50,000 credit card related debts every month, 3.5 times more than three years ago.

According to the BBA the proportion of credit card balances bearing interest was 73.2% in September 2008.

Total credit card debt in October 2008 was **£53.1bn.** The UK collective credit limit on credit cards is **£158bn, which is an average credit card limit of £5,129 per person.**

The average interest rate on credit card lending is currently **17.9%,** which is 14.9% above base rate (3.0%).

According to uSwitch 7.3 million consumers use their credit card to make cash withdrawals – collectively, they take out £3.7 billion each year. They estimate that over one million people are using this money to pay their mortgage, loans and household bills and over 700,000 are withdrawing cash from one credit card to pay off another. uSwitch estimate the average APR for cash withdrawals is 29.97%.

MoneyExpert.com estimates that 5 million people have been rejected for financial products in the past 6 months, the majority of which were for credit cards or personal loans. Of these rejections, 3.27 million were for credit cards while 1.56 million were for loan applications.

There were 181m plastic cards in circulation in the UK at the end of 2007 according to APACS. 145m of these were debit, credit or charge cards. This works out at just under **4 plastic cards for every adult in the UK**.

An average of 317 plastic card transactions were made every second during 2007 (equal to £18,100 / second); 239 plastic card purchases were made in the UK every second during the third quarter of 2008 using debit and credit cards (equal to £11,788 /second). 92 cash withdrawals were made every second (equal to £5,917 / second) from UK's 64,500 cash machines in the third quarter of 2008.

There are **more credit cards in the UK than people** according to APACS. At the end of 2007 there were 73m credit and charge cards in the UK compared with around 60 million people in the country.

Young people - the IPOD generation: Research by Reform and Chartered Insurance Institute reveals that **50% of the 18 – 34-year olds** surveyed had debts (excluding mortgages) up to £10,000 and **20% had debts (excluding mortgages) greater than £10,000.** Nearly a third of IPODs have no savings at all.

FSA research shows that one-in-three students are constantly overdrawn; two-in-five students admit to being completely disorganised about their money; and one-in-three never check their bank statements or, if they do, they only check the final balance.

The annual survey by Push, the UK's leading independent resource for prospective students, has found that **student debt now tops £4,500 for each year of study – a hike of 9.6% since last year.** Students who started at university last year can expect to owe over £17,500 by the time they leave and new students should reckon on nearly £4,000 more than that. The national average projected debt on graduation now stands at £14,161.

The average pocket money in 2008 is £6.13 per week, versus £8.01 in 2007. Three in ten children (30%) save some of their pocket money each week.

Lloyds TSB estimates that one in four (27%) young people starting university plan to live at home with their parents in a bid to save money and that 26% are worried about managing their money during their studies and say that they would like further guidance.

According to the AXA group millions of teenagers are planning to fund their lifestyle through credit cards, overdrafts and loans. As many as 44% of 15 to 17 year olds are planning to take out a credit card when they become an adult; 18% are thinking of taking out a bank loan when they turn 18 and a further 17% expect to be overdrawn.

Pensioners / Pensions: Some 1.5 million pension holders are teetering on the brink of halting their pension contributions in an effort to stave off the effects of the impending recession. The AXA figures suggest that one in twelve pension holders feel they will be left with little choice but to take a pension holiday in the next two years.

Independent research conducted by Prudential reveals that almost one in five (18 per cent) of UK workers say they have reduced the amount they save for an occupational or private pension as a result of the credit crunch. In addition, more than half of all UK workers (55 per cent) do not contribute to a company or private pension, leaving them completely reliant on the State pension or other savings.

Inflation rate facing the over 75 year olds **stands at 7.1%** in October which is 58% higher than the official rate of 4.5%.

Impartial.co.uk estimate that 1.4m homeowners aged over 55 admit to having at least 10 years left to run on their mortgage – taking them to, or even well beyond, the current state retirement age of 65.

In the past 12 months, the value of employees' defined contribution (DC) **pensions has plummeted by about £157bn**, according to Aon Consulting. Over 3.7m UK workers pay money into a DC pension every month. In October 2007, the value of DC pension assets stood at just over £552 billion, but by October 2008 the value had dropped by nearly a third (28%) to roughly £395 billion.

More than half of older people are cutting back on essentials such as heating and food, and one in 10 of the poorest pensioners have been forced into debt by the rising cost of living, according to Age Concern.

Two in five retirees who receive a lump sum spend their lump sum on clearing their mortgage or other debts.

For the first time ever, there are more people of state pensionable age than under-16s.

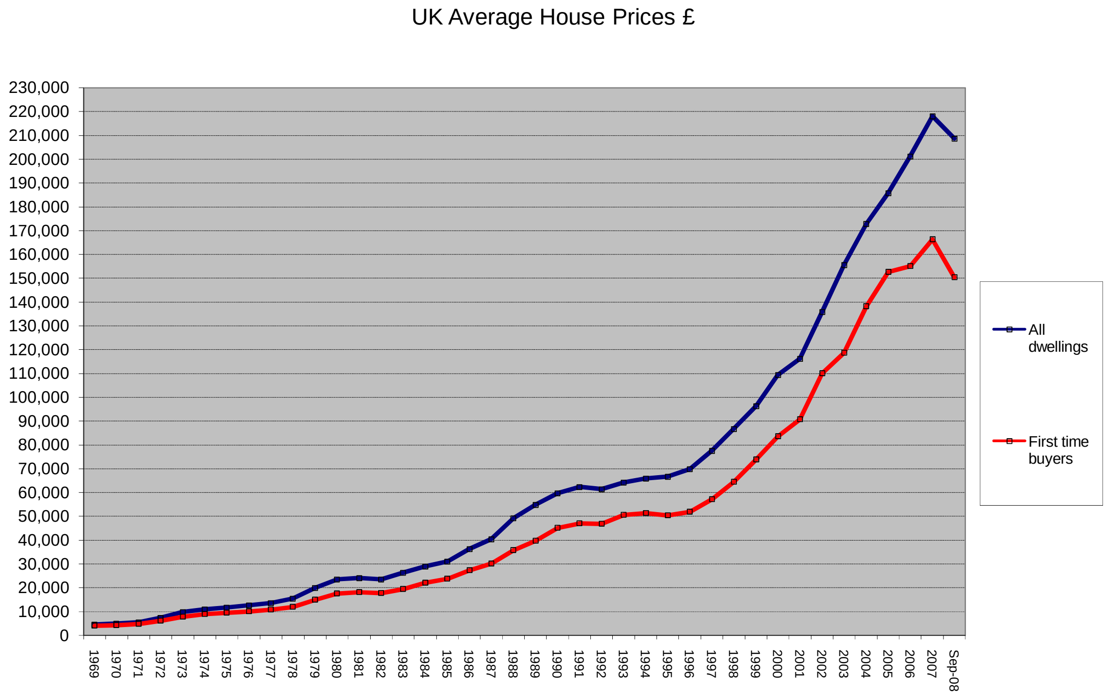
Help the Aged estimate that 2.5 million pensioners live in poverty and 1.4 million live in deep poverty.

Over one in three over 55s are heading into retirement with unsecured debts of £66bn. On average, this works out at £11,106 per head. These figures are based on a report from Key Retirement Solutions based on people who released equity in their home.

Pension payments provided only modest levels of income for many pensioner households in 2006/07; 61 per cent of single pensioners had total pension income of less than £10,000 and 45 per cent of pensioner couples had less than £15,000.

In 2007, total membership of occupational pension schemes was estimated at 26.7 million (8.8m employee members, down from 9.2m in 2006; 8.5m pensions in payment, up from 8.2 million in 2006; and 9.4m preserved pension rights, the same as in 2006).

Housing: According to the Department for Communities and Local Government (DCLG) the average house price in the UK in September 2008 now stands at **£208,583** (£215,342 in England). UK annual house price inflation fell by –5.1%. Annual house price inflation in London fell by – 5.0%.



The average Mortgage Interest rate is 5.81%.

The Halifax said that house prices have dropped £29,000 in the first 10 months of 2008, a fall of 14.7% which is equivalent to a fall of **£95 / day**. The UK average price has returned to the level it was at in October 2005. The house price to average earnings ratio has fallen by 16% from a peak of 5.84 in July 2007 to 4.92 in August 2008. This is the first time that the ratio has been below 5.0 for four and a half years.

More than one in five homes on the market are there because their owners cannot afford the mortgage repayments according to a survey by the National Association of Estate Agents for *The Times*.

The Nationwide said that the rate of house price falls moderated significantly in November. Prices fell by just 0.4% in the month compared with 1.3% in October. This brings the annual rate of house price falls to 13.9%.

The Bank of England said 32,000 new mortgages were approved in October 2008 which is **64% lower than what they were this time last year (88,000).**

House purchase mortgage approval numbers in October were 21,584 which was **52% lower than October 2007.** The average loan approved for house purchase in October 2008 was **£128,000**, some **16.3% lower** than a year earlier.

Existing home sales across the United States (including single-family, townhomes, condominiums and co-ops) fell 1.6% year on year in October 2008 and the **average price dropped 11.3% year on year** to $183,300. RealtyTrac®

said foreclosure filings — default notices, auction sale notices and bank repossessions — were reported on 279,561 U.S. properties during October, a 25% increase from October 2007. The report also shows one in every 452 U.S. households received a foreclosure filing during the month.

The latest RICS Housing Market Survey shows that completed sales per surveyor (over the last three months) fell to 10.9, which is the lowest level on record (this series was first introduced in 1978). London remains at the bottom of the activity league, with just 6.4 sales per surveyor on average.

Gross mortgage lending totalled an estimated £18.7 billion in October, almost 7% higher than what was an admittedly weak £17.5 billion lent in September. The monthly total was 44% lower than gross mortgage lending of £33.4 billion in October 2007 according to the Council of Mortgage Lenders.

33% **of mortgages** taken out by home movers in September 2008 were "**interest only**" mortgages compared with only 12% taken out in June 2003. 21% of these "interest only" mortgages were taken out without a repayment plan specified to repay the capital.

Research by LV= reveals a worrying 'mortgage gap'. Nearly half of the UK's 2.9m interest-only mortgages (1.3m mortgages with a total value of £74bn) have no specified investment vehicle in place to pay off the capital on the loan.

The downward trend in asking prices continues, with new sellers now marketing at asking prices 2.9% lower than those last month. This is the biggest fall that Rightmove has ever measured in November; new sellers are now asking 7.1% less when they come onto the market compared to a year ago. However, with agents reporting that **sales are being agreed at around 20% below peak asking prices,** Rightmove say that quicker sales would be achieved if sellers started at an asking price closer to where they are highly likely to end up.

The number of new sellers continues to dwindle to an average of just 20,000 a week; at this time last year the average was circa 35,000 a week. Rightmove estimate this is the lowest since 2002.

Housing First Time Buyers (FTB) & Buy-to-let: The average house price in the UK in September 2008 for first time buyers now stands at **£150,311** which is an annual decrease of – 7.8%.

Affordability pressures continued to squeeze first-time buyers as income multiples in September stood at **3.18 times the average first-time buyer income** according to the Council of Mortgage Lenders (CML). The average new mortgage for first time buyers has now reached **£104,500.** The average age of a first-time buyer is 29. First-time buyers typically borrowed 84% of the value of the property and required a deposit of £20,334.

Nearly half of all first-time buyers under 30 are receiving assistance with their deposit – most likely from parents or grandparents.

In the three months to October, continued falls in houses prices coupled with further tightening in mortgage lending conditions has turned more would be buyers and sellers to the rental market according to RICS. The rise in supply of new lettings relative to demand has led rental levels decline for the first time since April 2003. However, the falls to date appear to have been quite modest.

The number of buy to let mortgages with arrears greater than 3 months at the end of Q3 2008 **has risen to 18,000 which is a 49% increase** from Q2 2008. The payment profile of buy-to-let lending has worsened more rapidly than the market as a whole. Reasons include falling rents and an over-supply of rental property in some areas, resulting in some landlords being unable to let their property or achieve high enough rents to support their borrowing commitments.

Spending:
The average family car now costs £6,133 a year to keep on the road, an increase of 19% (£1000) year-on-year.

Petmeds.co.uk estimate that the cost of keeping a pet has increased by £7.6million a week in the past two years, with UK adults now spending £93.6 million a week on their animals.

According to uSwitch 8 million households (31%) found it either very or fairly difficult to pay their energy bills before the second wave of price rises hit at the end of July. They also estimate that **10 million households (39%)** claim they cannot afford the extra payments needed to meet the latest increases.

The average wedding costs £20,273. It costs an average of £386 to attend a wedding.

Research by WRAP (Waste & Resources Action Programme) has revealed that households in the UK **throw away around a third of all of the food we buy**.

Money Education / Financial Literacy: A high number of people **regularly fail to budget effectively** each month resulting in 64% of people running out of cash on average 5 days before their next pay cheque.

Research from Nationwide Building Society reveals that 75% of people in the UK don't understand the monetary value a 1% difference in mortgage rates can make.

National Consumer Council research reveals more than 27m people in England and Wales do not have a will.

It seems that money is fast becoming the nation's most uncomfortable topic. Research from Scottish Widows shows that we'd rather talk about sex and health than money.

One in three adults – or around 12.4 million people – refuse to plan their finances at all, and those that do find the time to review them set aside a miserly **five minutes a week**. On average we **watch 3hours and 38 minutes TV every day**!

Around 15 per cent of 18 to 24- year-olds think an individual savings account (ISA) is an iPod accessory, and one in 10 reckon it's an energy drink. With rising personal debt levels in Britain, and a lack of long-term savings, better money management seems a pressing issue.

Savings: As many as 14 million people say they cannot afford to set aside money for savings. However, a financial experiment conducted by AXA reveals that in just three months Britons can train themselves to save without substantially affecting their lifestyle. The research indicates that Britons treat money left in their current account after bills have been paid as the amount they need to live on and set their standard of living accordingly. If money is paid into a savings account on pay day the research demonstrates that they change their spending patterns and establish a new standard of living based on their remaining disposable income.

AXA says its analysis of recently-released savings ratio figures - which measure the amount of disposable income households save rather than spend - shows that most people can no longer afford to save with the exception of those bringing in over £70,000 a year – or more than £52,785 after taxes and benefits. The firm says that over 20 million households have been eating into savings since the turn of the year

The number of people who are regularly saving money each month has fallen to below half of the population (47%), compared with 58% in autumn 2006..

The Yorkshire Building Society have estimated that the average Briton's savings would only last 52 days if they were unable to work and that **36% of Britons would only last 11 days.**

The old adage of having "rainy day savings" appears to be a thing of the past, with one in six people (16%) having to rely on credit to fund basic household breakdowns. **45% say they could afford no more than £500** if an emergency arose and 20% said they could afford no more than £100, according to research from Alliance & Leicester.

Compiled monthly by Richard Talbot. richardtalbot@creditaction.org.uk. *If you would like to receive regular monthly updates of these statistics then please register using the "Register to receive Debt Statistics" link at http://www.creditaction.org.uk/debt-statistics.html Note: new / changed statistics are at the start of each section.*