

The
MONEY
Charity

The Money Statistics

January 2021

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The MONEY Charity

Welcome to the January 2021 edition of The Money Statistics, The Money Charity's complete monthly round-up of statistics about how we use money in the UK.

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1. Striking Numbers

This Month's Highlights

£60,720

Average total debt per UK household in November 2020

£2,133

Average credit card debt per household in November 2020

£3,838

Total unsecured debt per UK adult in November 2020

-17.8%

Change in outstanding credit card balances in year to November 2020

+418,000

Increase in unemployment in the year to November 2020

8.9 million

Number of people who by Dec 2020 had borrowed more because of Coronavirus.

+7.3%

Increase in average first-time buyer house price in the year to November 2020

10 years

Time to save for a first-time buyer house deposit, saving at the average rate out of average UK income (at July to Sept 2020 rate of household saving)



1. Striking Numbers

Every Day in the UK

- The population of the UK grew by an estimated **990** people a day between 2018 and 2019.
- On average, a UK household spends **£4.29** a day on water, electricity and gas.
- **335** people a day were declared insolvent or bankrupt in England and Wales in September to December 2020. This was equivalent to one person **every 4 minutes and 18 seconds**.
- In Northern Ireland in December 2020, there were **5** insolvencies per day and in Scotland **20.8** insolvencies per day.
- Citizens Advice Bureaux in England and Wales dealt with **1,767** debt issues every day in the year to December 2020.
- **1.7** properties were repossessed every day in July to September 2020 in the UK, or one **every 13 hours and 48 minutes**.
- The number of UK mortgages with arrears of over 2.5% of the remaining balance rose by **9** a day.
- The number of people unemployed in the UK grew by **2,220** per day in the three months to November 2020.
- **4,341** people a day reported they had become redundant in September to November 2020.
- Net lending to individuals and housing associations in the UK grew by **£126 million** a day in November 2020.
- Government debt increased by **£871 million** a day in the year to December 2020.
- Borrowers paid **£123 million** a day in interest in November 2020.
- It costs an average of **£23.25** per day for a couple to raise a child from birth to the age of 18.
- For a lone parent family, the cost of raising a child comes to **£28.22** per day.
- **1.2** mortgage possession claims and **0.3** mortgage possession orders were made every day in England and Wales in July to September 2020.
- **43** landlord possession claims and **1.4** landlord possession orders were made every day.



1. Striking Numbers

Arising from Coronavirus pandemic

Reports continue to be published showing the impact of Covid-19 on household finances. The following are some of the new findings that have been published since our round-up in December's Money Statistics:

- 33%+** Proportion of low income families who increased their spending in 2020. This reflected higher costs of having children at home instead of in school, higher food costs and reduced access to community facilities and family support (Resolution Foundation).
- 11%** Fall in total UK household expenditure in July-Sept 2020. The biggest falls were in transport (**-32%**), hospitality (**-25%**), health (**-21%**) and recreation and culture (**-19%**) (Resolution Foundation).
- + 5%** Increased household spending on food and drink, alcohol, tobacco and narcotics in July-Sept 2020. Other increases were in housing (**+1%**) and household goods and services (**+2%**) (Resolution Foundation).
- 16%** Proportion of women who reduced their working hours during the first Covid-19 lockdown for childcare or home schooling (compared with **9%** of men) (Resolution Foundation).
- 17%** Reduction in the number of non-graduates doing any number of hours of paid work per week by Q3 2020 (compared with **-7%** of graduates) (Institute of Fiscal Studies).
- 48%** Proportion of male Bangladeshi British people working in locked down sectors of the economy. For Pakistani British males the proportion was **33%**. For males and females of other ethnic groups (White, Black and Indian) the proportion was between **10%** and **20%** (Institute of Fiscal Studies).
- 8.9 million** Number of people who by December 2020 borrowed more because of Coronavirus. Borrowing was higher among the young, self-employed and those on low incomes (ONS).

Responding to the impact of Covid-19 on household finances.

Many charities, campaigners and social research groups have called for improvements to social security, in particular to maintain the **£20 per week Universal Credit uplift**, abolish the **5-week Universal Credit waiting period**, which pushes people into debt before they begin to receive UC, and to extend the £20 uplift to **legacy benefits**.



2. Personal Debt in the UK

Total UK Personal Debt

People in the UK owed **£1,692.5 billion** at the end of November 2020. This is up by **£21.6 billion** from £1,671 billion at the end of November 2019, an extra **£408** per UK adult over the year.

| Type of Personal Debt | Total Personal Debt £ billion | Per Household £ | Per Adult £ |
|-------------------------------|----------------------------------|-----------------|----------------|
| Secured (Mortgages) | £1,489.1 billion | £53,423 | £28,102 |
| Unsecured Consumer Debt | £203.4 billion | £7,297 | £3,838 |
| Of which, Credit Card Debt | £59.4 billion | £2,133 | £1,122 |
| Grand Total (Nov 2020) | £1,692.5 billion | £60,720 | £31,940 |

The average total debt per household, including mortgages, was **£60,720** and per adult was **£31,940**, around **108.0%** of average earnings. This is up from a revised **£31,869** a month earlier.

Based on November 2020 numbers, the UK's total interest payments on personal debt over a 12-month period would have been **£44,964 million**, an average of **£123 million** per day. The average annual interest per household would have been **£1,613**, and per person **£849**, **2.87%** of average earnings.

According to the Office for Budget Responsibility's November 2020 forecast, household debt of all types is forecast to rise from **£2.062 trillion** in 2020 to **£2.373 trillion** in 2025. This would make the average total household debt **£83,308** (assuming household numbers track ONS population projections.)

Consumer Credit Debt

At the end of November 2020, outstanding consumer credit lending was **£203.4 billion**, falling by **£1.9 billion** on the revised total for the previous month, and **£22.3 billion less** than in November 2019. Within the total, outstanding credit card debt came to **£59.4 billion**, a decrease of **17.8%** (**£12.9 billion**) in the year to November 2020. Credit card debt averaged **£2,133** per household and **£1,122** per adult.

A credit card on the average interest rate would take **25 years and 1 month** to repay, making only the legal minimum repayments (interest plus 1% of the outstanding balance) each month. The minimum repayment in the first month would be **£55** but would reduce each month. If £55 were paid *every* month, the debt would be cleared in **5 years and 2 months**.

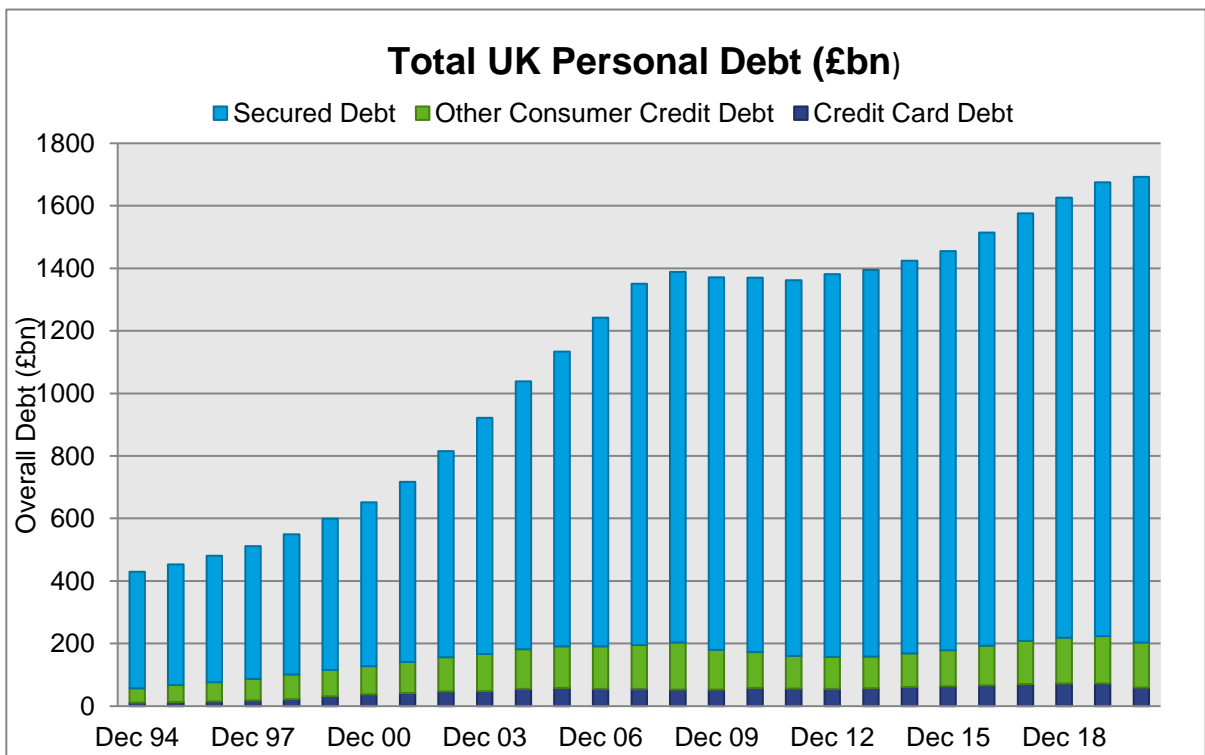


2. Personal Debt in the UK

Net Lending and Write-Offs

Total net lending to individuals and housing associations by UK banks and building societies **rose by £3.77 billion** in November 2020 or **£126 million a day** over revised figures for October 2020.

- Net mortgage lending rose by **£5.68 billion** in the month, while net consumer credit lending fell by **£1.92 billion**.
- In Q3 2020 lenders wrote off **£940 million** (of which **£365 million** was credit card debt, amounting to a daily write-off of **£4.0 million**).



Bank of England Data to November 2020

(The last two columns on the chart are Dec 19 and Nov 20)



2. Personal Debt in the UK

Advice on Problem Debts

Citizens Advice Bureaux across England and Wales answered **280,126** enquiries in December 2020, **3.1% down** from December 2019.

Debt was the third largest advice category in December 2020 with **43,597** issues, behind Benefits and Tax Credits (**54,582**) and Universal Credit (**45,330**). Debt calls were **22.9% down** compared with December 2019, while calls about Universal Credit were down by **6.9%**. Debt represented **15.4%** of all issues dealt with in the year to December 2020. The top three debt categories in December 2020 were Council Tax arrears, fuel debts, and credit, store and charge cards. In the year to December 2020, Citizens Advice Bureaux in England and Wales dealt with **1,767** debt issues every *day*.

In Scotland in November 2020, Citizens Advice Scotland answered **88,917** enquiries, with debt enquiries increasing to **10,227**, **11.5% of the total**, the second largest group after benefits (**44%**).

In Northern Ireland, in December 2020, Advice NI's Debt Action service dealt with **235** cases involving debt issues, covering **£0.82 million** of debt. The top three debts were credit cards, mortgage shortfalls (negative equity) and tax.

Due to Covid-19 forbearance measures, StepChange Debt Charity experienced lower volumes of approaches for debt advice in 2020 than during 2019, though numbers began rising in the autumn. In October 2020, StepChange advised **17,000 new debt clients** compared to around **24,000** the year before. From March to October 2020, **46%** of StepChange clients faced unemployment or redundancy and **26%** were furloughed and received a drop in salary. **61%** of clients were in the 18-39 age group. The most common forms of debt were credit cards, personal loans, rent arrears and council tax arrears.

In April to October 2020, **39%** of new telephone clients and **25%** of new online clients had negative budgets. A negative budget is where a client's expenditure is greater than income even after debt counselling.

Among those seeking assistance, StepChange notes that women, renters and single parents are particularly over-represented.



2. Personal Debt in the UK

Individual Insolvencies

There were **30,797** individual insolvencies in England and Wales in October to December 2020, **up 10.0%** from 27,989 for the same period in 2019. This is equivalent to **335** people a day or one person **every 4 minutes and 18 seconds**.

Every day on average in England and Wales, **31** people were made bankrupt, **46** Debt Relief Orders were granted, and **335** Individual Voluntary Arrangements (IVAs) were entered into.

In the 12 months to December 2020, **111,324** individuals, **1 in 422 (0.24%)** of the adult population of England and Wales became insolvent.

In Northern Ireland there were **156** individual insolvencies in December 2020, a rate of **5.0** per day. This comprised **261** Individual Voluntary Arrangements, **50** Debt Relief Orders and **50** bankruptcies. Individual insolvencies increased by **12.2%** on the same month the previous year.

In Scotland there were **645** personal insolvencies in December 2020, a rate of **20.8** per day, comprising **191** bankruptcies and **454** protected trust deeds. Personal insolvencies were **40.2% lower** than the same month the previous year.

County Court Judgements

1,219 Consumer County Court Judgements (CCJs) were issued every day in England and Wales in July to September 2020, a **61.3% fall** on the same period in 2019. The average value was **£2,032**.

In Northern Ireland, there were **7** consumer judgements every day in July to September 2020, with an average value of **£2,674**.

In Scotland, **30** consumer debt decrees were registered every day in July to September 2020, with an average value of **£2,710**.



3. Mortgages, Rent and Housing

Mortgage Debt

According to the Bank of England, outstanding mortgage lending stood at **£1.489 trillion** at the end of November 2020.

- This is up from £1.445 trillion a year earlier, an increase of **£43.9 billion**.

That means that the estimated average outstanding mortgage for the **10.96 million** households with mortgage debt was **£135,863** in November 2020.

The average mortgage interest rate was **2.12%** at the end of November 2020. Based on this, households with mortgages would pay an average of **£2,880** in mortgage interest over the year.

For new loans, the average mortgage interest rate was **1.84%**. Based on this, First Time Buyers with mortgages would pay an average of **£2,963** in mortgage interest over the year.

According to the FCA and Bank of England, gross mortgage lending in July to September 2020 was **£62.5 billion**, **14.7% lower** than the same quarter the previous year, but substantially higher than the depressed levels of April to June 2020.

The Financial Conduct Authority reports that **60.4%** of mortgage lending in Q3 2020 was for 75% or less of a property's value.

- **3.5%** of lending was for mortgages for over 90% of a property's value.

57% of mortgage lending was for three or more times the borrowers' incomes.

According to UK Finance, in December 2019 (latest publicly available data), the mortgage as percentage of house value was on average **77.0%** for first time buyers, **67.6%** for home movers and **58.8%** for re-mortgagors, slightly higher than the previous year.



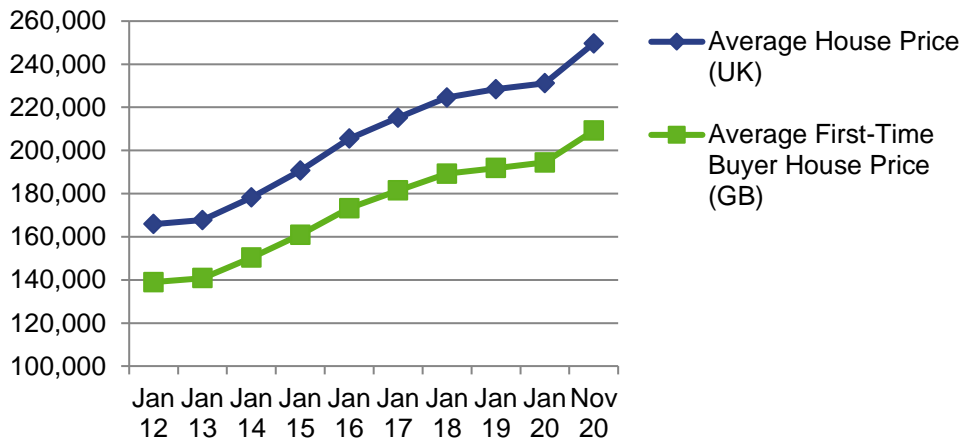
3. Mortgages, Rent and Housing

House Prices

Nationwide estimates that house prices increased by **0.8%** in December 2020 and by **7.3%** on 12 months before. Halifax reports that the average UK house price in December 2020 was **£253,374**, rising by **2.6%** in the three months to December 2020 and by **6.0%** in the year to December 2020.

Nationwide, Halifax and HM Land Registry all show sharply higher house prices over the last year, particularly over the summer and autumn of 2020. HM Land Registry has the largest dataset and includes cash sales, but records transactions later, after registration of the sale, not at the mortgage approval stage.

House Prices (HM Land Registry)



Source: ONS and HM Land Registry

First-Time Buyers

HM Land Registry reports that the average house price for first-time buyers in Great Britain was **£209,163** in November 2020, an annual increase of **7.3%** and a monthly increase of **1.2%**.

According to UK Finance, the typical first-time buyer deposit in December 2019 was **23%** of the purchase cost, which would average **£48,107** in November 2020 based on the above Land Registry first-time buyer price. This is **162.7%** of the average UK salary.



3. Mortgages, Rent and Housing

House Prices in Government Office Regions, Northern Ireland, Scotland and Wales

According to HM Land Registry, average house prices in the UK increased by **7.6%** in the year to November 2020 to **£249,633**. The highest rate of increase (**9.7%**) was in London and Yorkshire and the Humber. The lowest price increases were in Northern Ireland (**2.4%**).

The average house price was highest in London (**£513,997**) and lowest in the North East (**£140,248**).

Average House Prices: Nations and Regions – November 2020

| Country and Government Office Region | Price | Monthly Change | Annual Change |
|--------------------------------------|----------|----------------|---------------|
| London | £513,997 | 4.00% | 9.70% |
| Yorkshire and The Humber | £180,856 | 1.90% | 9.70% |
| Scotland | £165,703 | 0.90% | 8.60% |
| North West | £180,280 | 0.20% | 8.50% |
| South West | £278,391 | 1.10% | 8.50% |
| North East | £140,248 | 2.60% | 8.30% |
| England | £266,742 | 1.20% | 7.60% |
| East Midlands | £208,662 | 0.60% | 7.10% |
| Wales | £180,229 | 2.00% | 7.00% |
| West Midlands | £213,974 | 1.00% | 6.90% |
| South East | £342,271 | 1.20% | 6.20% |
| East of England | £302,624 | -0.30% | 4.80% |
| Northern Ireland (Quarter 3 - 2020) | £143,205 | 1.50% | 2.40% |

Source: ONS and HM Land Registry. Ranked by Annual Change.



3. Mortgages, Rent and Housing

Renting

According to the Office for National Statistics, private rental prices in the UK rose by **1.4%** in the 12 months to December 2020, **the same as** for the 12 months to November 2020.

Over the year to December 2020, rental prices increased in Northern Ireland, Wales, Scotland and all the English regions. Northern Ireland (**2.7%**), South West (**2.6%**) and East Midlands (**2.4%**) saw the highest rates of increase. The lowest increases were in London (**0.9%**) and Scotland (**0.9%**).

The median rent in England across all private rental property types for the 12 months to 30 September 2020 was **£725**, according to the Valuation Office Agency and ONS. In London it was **£1,435**.

For a single room with shared facilities, the median monthly private rent was **£403**. In London it was **£650 (61% higher)**.

For two bedrooms, the median monthly private rent was **£695**. In London it was **£1,450 (109% higher)**.

Figures from the Ministry of Housing, Communities and Local Government show that in 2018-19, private renter households in England spent an average of **£867** a month on rental payments. Inclusive of benefits, private renters spent an average of **33%** of their income on rental payments.

Monthly rents in the social housing sector in England were **£459** for housing association renters and **£416** for local authority renters.

In 2018-19, **34%** of households owned their home outright, while **29%** were mortgagors, **19%** rented privately and **17%** paid a social rent.

- Since 2013-14 outright owners have been the largest tenure group.
- Since the mid-1990s, the number of renters and outright owners has risen, while the number of people owning a house with a mortgage has fallen.
- In 2018-2019, only **35.6%** of 16-34 year-olds were owner occupiers. **46.3%** of this age group were private renters.



3. Mortgages, Rent and Housing

Arrears and Repossessions

According to the Financial Conduct Authority, at the end of Q3 2020 there were **167,840** mortgage loan accounts with arrears of more than 1.5% of the current loan balance.

- This is **2.1%** down on revised numbers for the previous quarter and **3.3%** down on Q3 2019.

43.3% of payments due for loans in arrears were received in Q3 2020.

UK Finance reports that **74,850 (0.83%)** of homeowner mortgages had arrears equivalent to at least 2.5% of the outstanding mortgage balance in Q3 2020, **0.03%** up on the previous quarter. Over the last year, mortgages in arrears have increased by **9** a day.

UK Finance estimates that there were **160** homeowner properties taken into possession in the UK in Q3 2020, down from 1,330 in Q3 2019.

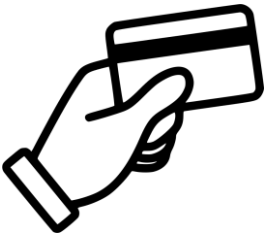
This equates to **1.7** properties being possessed every day, or one property being possessed **every thirteen hours and forty-eight minutes**. This low number is due to the pandemic-related moratorium on forced possessions.

In England and Wales, in July to September 2020, according to the Ministry of Justice, every day **1.2** mortgage possession claims were issued and **0.3** mortgage possession orders were made.

43 landlord possession claims were issued and **1.4** landlord possession orders were made every day.

Compared to July to September 2019, mortgage possession claims fell by **98%** and orders by **99%**, while landlord possession claims fell by **86%** and landlord possession orders fell by **99%**.

This was due to action by Government in response to the Covid-19 pandemic.



4. Spending and Loans

How We Spend

In the year to November 2020, consumer credit decreased by **9.9%** according to the Bank of England, while outstanding levels of credit card borrowing fell by **17.8%**. The reduction occurred mainly during the spring period of lockdown and furlough due to the Covid-19 pandemic, but after slight growth in the early summer there were further falls during August-November 2020.

LINK transaction volumes have fallen steeply during the pandemic. On average, **48.0** cash machine transactions (including balance enquiries and rejected transactions) were made **every second** in December 2020, a fall of **37.0%** on December 2019. The total value of transactions fell by **29.5%** over the same period.

- In total, cash machine transactions were worth an average of **£54.80** per transaction.
- These LINK transaction figures do not include transactions or withdrawals made by customers at their own banks or building societies.
- The number of ATMs (in-branch and remote) fell from **63,160** at the end of 2018 to **60,662** at the end of 2019 (a fall of **4.0%**). Free-to-use ATMs fell from **52,040** to **45,355** while pay-to-use ATMs increased from **11,120** to **15,307**. (Data for 2020 not yet available.)

What We Buy

In Q3 2020, households in the UK spent **£119.7 million** a day on water, electricity and gas, or **£4.29** per household per day. On a seasonally adjusted basis, this was **3.4% more than** the revised figure for Q2 2020.

In December 2020 the average price of unleaded petrol **increased by 1.1p** to **115.1 ppl**.

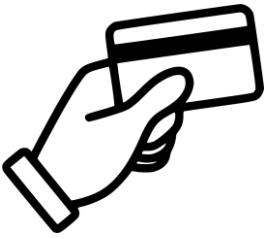
- This meant it cost **£57.55** to fill a 50 litre unleaded tank, **0.55p more than** last month.

The average price of diesel **increased by 1.3ppl** to **118.5ppl**.

- This meant it cost **£59.25** to fill a 50 litre diesel tank, **65p more** than last month.
- The price difference between the two rose to **3.4ppl** in September, a difference of **£1.70** per 50 litre tank.

Child Poverty Action Group's "The Cost of a Child in 2020" report estimates that couple families now spend **£152,747** on raising a child to their 18th birthday, **£23.25 a day**. This is an increase of **1.4%** over the last year and **7.1%** since the study began in 2012.

- The cost for a lone parent is **£185,413**, an increase of **19.6%** since 2012.
- This comes to **£28.22 a day**.
- For couples in 2020, **23%** of basic costs are covered by child benefit. For lone-parent families in 2020, **17%** of basic costs are covered by child benefit.



4. Spending and Loans

The Cost of Credit

The average interest rate on credit card lending bearing interest was **20.89%** in December 2020. This was **20.79%** above the Bank of England Base Rate of **0.1%**.

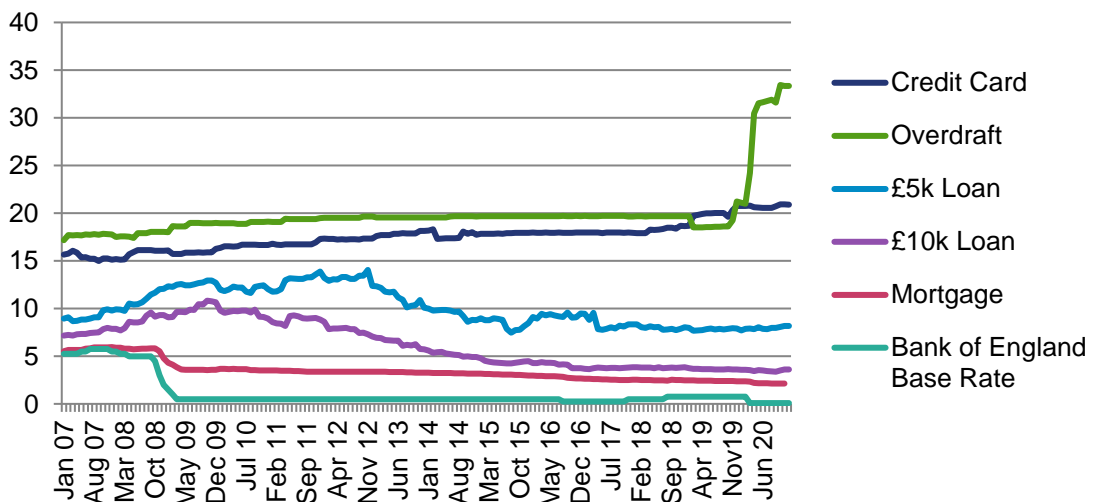
UK Finance figures show that **54.4%** of credit card balances were bearing interest in October 2020.

In December 2020, the average APR for a £5,000 personal loan was **8.17%**, according to the Bank of England. For a £10,000 loan it was **3.6%**, while the average rate for an overdraft was **33.33%**.

As shown in the chart, the gap between credit card and overdraft rates, and other interest rates has widened substantially since 2008. The dramatic recent increase in overdraft rates is due to the new FCA overdraft rules, which banned high fixed charges penalising accidental and short-duration overdrafts, but at the cost of a rise in the average overdraft rate.

Why overdraft and credit card rates are so high when the bank base rate is only 0.1% is an open question.

Interest Rates (% pa to Dec 2020)



Source: Bank of England



5. Savings and Pensions

Savings

The average interest rate for an instant access savings account, not including bonus interest payments, was **0.06%** in December 2020. For a cash ISA, this was **0.35%**.

In Q3 2020, households saved an average of **16.5%** of their post-tax income, including benefits, down from the record 26.5% (revised) in Q2 2020, which was more than double the previous peaks in the late 1970s and early 1990s. From 2000 to 2015, the savings rate fluctuated mostly in the 7-10% range, with the most recent pre-Covid peak being 12.9% in Q1 2010. If someone on the average salary saved 16.5% of their income in an average instant access savings account for a year, they would receive **£2.34** in interest after tax. If they saved it in an average cash ISA, they would receive **£15.12**.

It would take **10 years** for someone on the average salary, saving the average amount per household every year in an average instant access savings account, to afford the average first-time buyer deposit. If they saved into a cash ISA at the same rate it would also take **10 years**. This assumes sustaining the high savings rate and no property price inflation in the meantime.

According to DWP, in 2018-19 **12.8m** households (**46%** of the total) had either no savings or less than £1,500 in savings. **19.2m** households (**68%** of the total) had less than £10,000 in savings.

Pensions

According to The Pensions Regulator's Compliance Report, at least **10.40 million** workers had joined a pension scheme under auto-enrolment by the end of December 2020, making a total of **22.64 million** members of pensions schemes, but leaving **9.88 million** workers unenrolled, out of the total declared workforce of **32.52 million**.

According to the Family Resources Survey, **51%** of working age adults actively participated in a pension in 2018-19, up **2%** on the previous year. This was **74%** for employees and **16%** for the self-employed.

The Annual Survey of Hours and Earnings reports that in 2019, **20.2%** of private sector employee scheme members received an employer contribution to their workplace pension of 8% or more, whereas **94.7%** of public sector employee scheme members received a contribution of 12% or more. **34.6%** of employees with a pension were in an occupational Defined Benefit scheme in 2019, according to the Office for National Statistics. **35.7%** were in an occupational Defined Contribution scheme.

In March 2020, there were **12.5 million** recipients of the State Pension, a fall of **1.2%** on the year before. Of these, **1.5 million** were receiving the new State Pension (nSP) introduced in April 2016.



6. Financial Inclusion

According to the FCA, in the UK in 2017 there were **1.3 million** people who did not have a bank account (either a current account or an alternative e-money account). This was **3%** of the UK adult population. The lowest unbanked rate was in the East of England (**1%**) and the highest unbanked rate was in London (**4%**).

There were **7.4 million** basic bank accounts (BBAs) on 30 June 2019, according to HM Treasury. BBAs are the no-frills bank accounts that the nine largest personal current account providers are required to offer under the Payment Accounts Regulations 2015.

According to ONS, there were **10,405** bank and building society branches in the UK in 2019. This was a reduction of **2,940** branches (**-22%**) since 2012. The biggest proportional reduction in bank branches was in the South West, which lost **27%** of its branches over the period. Northern Ireland bucked the trend with an increase of **3%** (**10** branches) since 2012.

According to the 2019 Access to Cash Review, **2.2 million** people use only cash in their daily transactions.

In 2017, **40.9 million** UK adults (**78%** of the total) used some form of credit, according to the FCA. This includes unregulated credit (**3%** of adults) and running credit such as credit cards that are paid off each month (**29%** of adults). Around **11.5 million** people (**22%** of total UK adults) either chose not to access credit or did not have access to credit.

According to the Bank of England, **1.90 million** adults were members of credit unions in April to June 2020, an increase of **2.2%** over the same period in 2019. There were **418** credit unions, with loans to members to a value of **£1.6 billion**, **38%** of which was in Northern Ireland.

According to the FCA, **21.0 million** UK adults (**40%** of the total) did not have home contents insurance in 2017. According to ONS, **1.11 million** households did not have access to the Internet in Jan-Feb 2020. This included **20%** of households with one adult aged 65+.

Recent research by Turn2us and Fair By Design found that low-income households pay a 'poverty premium' in buying their goods and services of **£478** per year. The poverty premium is the extra amount people on low incomes pay from not being able to access the best deals.

According to Turn2us, **4.8 million** people are living without at least one essential household appliance (fridge, freezer, cooker or washing machine).

According to the FCA, **9.0 million** UK adults (**17%** of the total) rate themselves as having low financial capability. This measure relates to managing money, knowledge about financial matters and confidence in buying financial services.



7. Young People

Young People in Education and Employment

According to ONS, in September to November 2020 there were **5.41 million** people aged 18 to 24. Of these, **1.81 million** were in full-time education while **3.31 million** were in employment (including those in full-time education who were also in employment). From February to November 2020, the number of 18-24 year-olds in employment fell by **175,000**.

Unemployment

505,000 18-24 year olds (**13.2%**) were unemployed in September 2020 to November 2020. This was **117,000** more than in September to November 2019.

- Of these, **163,000 (32.3%)** had been unemployed for over 6 months.
- **91,000** had been unemployed for over 12 months, an increase of **8,000** on June to August 2020 and an increase of **36,145 (+66.1%)** on a year earlier.

757,000 (11.0%) of 16 to 24-year-olds in the UK were not in education, employment or training (NEET) in July to September 2020, a reduction of **43,000** over the last year.

Minimum Wage

For under 18s the minimum wage in 2020-21 is **£4.55**. The apprentice rate (for those under 19 or in the first year of their apprenticeship) is **£4.15**. For those aged 18-20, the minimum wage is **£6.45**. For those aged 21-24, **£8.20** and for those aged 25+, **£8.72**.

Wages Paid by Age and Gender

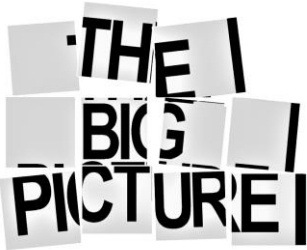
According to ONS, in April 2020 the median weekly pay for all full-time employees was **£586**. For employees aged 16-17 it was **£207**. For those aged 18-21 it was **£350** and for those aged 22-29 it was **£499**. For those aged 16-21, male and female pay was about the same (within the margin of error). For those aged 22-29 the female median was around **£26** per week less than the male median.

Student Loans

In 2019-20, the provisional average maintenance loan awarded to full-time students in England was **£6,588** (up **5.0%** on the revised figure for the previous year.) In Wales it was **£4,651** and in Northern Ireland **£3,117**. The provisional average tuition fee loan in England was **£8,413** (down **0.3%**.) In Wales it was **£6,976** (up **24.2%**) and in Northern Ireland **£5,287**.

Student Debt

In England, the average debt per borrower at the end of 2019-20 was **£25,130**. In Wales it was **£16,704**, in Northern Ireland **£15,099** and in Scotland **£13,589**. The average debt for the latest cohorts to enter repayment was **£40,280** in England (2020), **£24,960** in Wales (2020), **£23,520** in Northern Ireland (2020) and **£13,890** in Scotland (2020).



8. The Bigger Picture

Economy and Inflation

The UK economy fell by **2.6%** in November 2020 as it was once again affected by Covid-19 restrictions. In November 2020 the economy was **8.6%** smaller than in February 2020, according to the latest estimates from the ONS.

The Conference Board Leading Economic Index® for the UK fell by **2.1%** in November 2020. From January to November 2020, the index fell by **24.7%**, suggesting that the UK economy will continue to struggle in the months ahead.

The CPI (Consumer Prices Index) increased by **0.6%** in the year to December 2020, **0.3%** more than the year to November 2020. The highest rates of inflation over the 12 months to November 2020 were for alcoholic beverages and tobacco (**3.6%**), communication (**2.6%**) and recreation and culture (**2.6%**). The lowest rate was for clothing and footwear (**-1.8%**).

Pay Rates

In the three months to November 2020, regular pay increased by **3.6%** on the year before. Pay including bonuses rose by **3.6%**. Average weekly pay was **£531**, or **£567** including bonuses; an annual salary of **£27,688**, or **£29,565** with bonuses. In real terms, for the year to November 2020, regular pay grew by **2.8%** while total pay grew by **2.8%**. Due to pay growth being lower than inflation for most of the last twelve years, total real pay (**-0.2%**) was below the pre-financial crash peak in February 2008 while regular real pay increased by only **3.2%** over the same period.

Public Sector Borrowing

Public Sector Net Borrowing (excluding RBS and Bank of England) in the three months to December 2020 was **£80.2 billion**, an average borrowing of **£871 million** per day. Spending included **£12.7 billion** net investment, meaning there was a current budget deficit of **£67.5 billion** over the same three months. Total net borrowing for January-December 2020 was **£269.7 billion**, compared with £46.1 billion for calendar year 2019.

Public sector net debt in December 2020 (excluding RBS and Bank of England) was **£1,900 billion (88.6% of GDP)**. This was **£268.5 billion** more than in December 2019, an increase of **£733.6 million** per day, mainly due to the economic impact of Covid-19.

According to the November 2020 Forecast from the Office for Budget Responsibility, public sector net debt will be **105%** of GDP in 2024-25. However, interest on public debt is forecast to be **lower** in 2024-25 than in 2019-20 due to lower interest rates and the Bank of England's Asset Purchase Facility.



8. The Bigger Picture

Population, Taxpayers and Benefit Recipients

According to the latest ONS estimate, the population of the UK grew by **990** people per day between mid 2018 and mid 2019.

Out of a total working-age population of **54.4 million**, there are projected to be **32.3 million** income taxpayers in 2020-21. Of these, **27.6 million** will be basic rate taxpayers, **4.2 million** people will fall into the 40% income tax band and **481,000** will pay the 45% rate, which replaced the 50% rate in 2013-14. People who do not pay income tax still pay indirect taxes such as VAT, non-EU import duties, insurance premium tax and excise duties on tobacco, alcohol and fuel.

There were **7.3 million** working-age people claiming benefits in February 2020. Housing benefit was received by **3.2 million** people (of all ages) while **2.9 million** were receiving Universal Credit. By June 2020, the number receiving UC had increased to **5.4 million**, of whom **1.9 million** were working and **2.6 million** seeking work.

Unemployment

The number of people classed as unemployed in September to November 2020 was **1.72 million** (**5.0%** of the workforce), **202,000** more than the previous quarter, **2,220** per day, and up **418,000** from the previous year, **1,142 a day**. The unemployment rate in the UK was highest in London (**6.9%**) and the North East (**6.4%**) and lowest in Northern Ireland (**3.2%**), South East (outside London) (**3.7%**) and South West (**4.1%**). **357,000** people had been unemployed for over 12 months in September to November 2020, up by **64,000** (**175 a day**) from a year earlier.

Employment and Unemployment – Older Workers

412,000 people aged 50 and over were unemployed in September to November 2020, an increase of **75,000** on June to August 2020 and **130,000** on a year earlier. **29.7%** of unemployed workers aged 50 and over, a total of **122,000** people, had been out of work for over a year. **80,000** had been unemployed for more than two years.

1,332,000 (**10.9%**) people aged 65 and over were *in work* in September to November 2020, **50,000** more than in June to August 2020, and an increase of **9,000** from the previous year.

Redundancies

395,000 people (**4,341 per day**) reported they had become redundant in September to November 2020, **168,000** more than in June to August 2020 and **280,000** more than the year before.

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