

The
MONEY
Charity

The Money Statistics

March 2020

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The MONEY Charity

Welcome to the March 2020 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

£60,363

Average total debt per UK household in January 2020

£2,595

Average credit card debt per household in January 2020

£4,264

Total unsecured debt per UK adult, January 2020

-0.3%

Change in outstanding credit card balances in year to January 2020

12.8 million

Number of households with either no, or less than £1,500, in savings

20.77%

Average credit card interest rate in February 2020

4.8 million

The number of households without at least one essential household appliance (fridge, freezer, washing machine, cooker etc)

26 years and 8 months

Time to pay off average credit card debt making only the minimum payment per month



1. Striking Numbers

Every Day in the UK

- The population of the UK grew by an estimated **1,083** people a day between 2017 and 2018.
- On average, a UK household spends **£3.92** a day on water, electricity and gas.
- **318** people a day were declared insolvent or bankrupt in England and Wales in October to December 2019. This was equivalent to one person **every 4 minutes and 32 seconds**.
- In Northern Ireland, there were **7** insolvencies per day and in Scotland **36** insolvencies per day.
- Citizens Advice Bureaux in England and Wales dealt with **2,618** debt issues every day in the year to February 2020.
- **14** properties were repossessed every day in Q4 2019 in England and Wales, or one **every 1 hour and 40 minutes**.
- The number of UK mortgages with arrears of over 2.5% of the remaining balance fell by **18** a day.
- The number of people unemployed in the UK grew by **14** per day in the year to January 2020.
- **1,152** people a day reported they had become redundant in November 2019 to January 2020.
- Net lending to individuals and housing associations in the UK grew by **£135 million** a day in January 2020.
- Government debt increased by **£124.6 million** a day in the year to February 2020.
- Borrowers paid **£140 million** a day in interest in January 2020.
- It costs an average of **£22.92** 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 **£28.16** per day.
- **68** mortgage possession claims and **48** mortgage possession orders were made every day in England and Wales in October to December 2019.
- **277** landlord possession claims and **223** landlord possession orders were made every day.



2. Personal Debt in the UK

Total UK Personal Debt

People in the UK owed **£1,680 billion** at the end of January 2020. This is up by **£48.7 billion** from **£1,631 billion** at the end of January 2019, an extra **£923** per UK adult over the year.

Type of Personal Debt	Total Personal Debt £ billion	Per Household £	Per Adult £
Secured (Mortgages)	£1,454.7 billion	£52,281	£27,581
Unsecured Consumer Debt	£224.9 billion	£8,082	£4,264
Of which, Credit Card Debt	£72.2 billion	£2,595	£1,369
Grand Total (January 2020)	£1,675.4 billion	£60,363	£31,845

The average total debt per household, including mortgages, was **£60,363** and per adult was **£31,845**, around **112%** of average earnings. This is up from a revised **£31,765** a month earlier.

Based on January 2020 trends, the UK's total interest payments on personal debt over a 12-month period would have been **£51,085 million**, an average of **£140 million** per day. The average annual interest per household would have been **£1,836**, and per person **£969**, **3.4%** of average earnings.

According to the Office for Budget Responsibility's March 2020 forecast, household debt of all types is forecast to rise from **£2.068 trillion** in 2019-20 to **£2.425 trillion** in 2023-24. This would make the average household debt **£86,388** (assuming household numbers track ONS population projections.) **This forecast is pre-Covid-19.**

Consumer Credit Debt

At the end of January 2020, outstanding consumer credit lending was **£224.9 billion**, increasing by **£0.56 billion** on the revised total for the previous month. Within the total, outstanding credit card debt came to **£72.2 billion**, a decrease of **0.3%** in the year to January 2020. Credit card debt averaged **£2,595** per household and **£1,369** per adult.

A credit card on the average interest rate would take **26 years and 8 months** 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 **£67** but would reduce each month. If **£67** were paid *every* month, the debt would be cleared in **5 years and 2 months**.

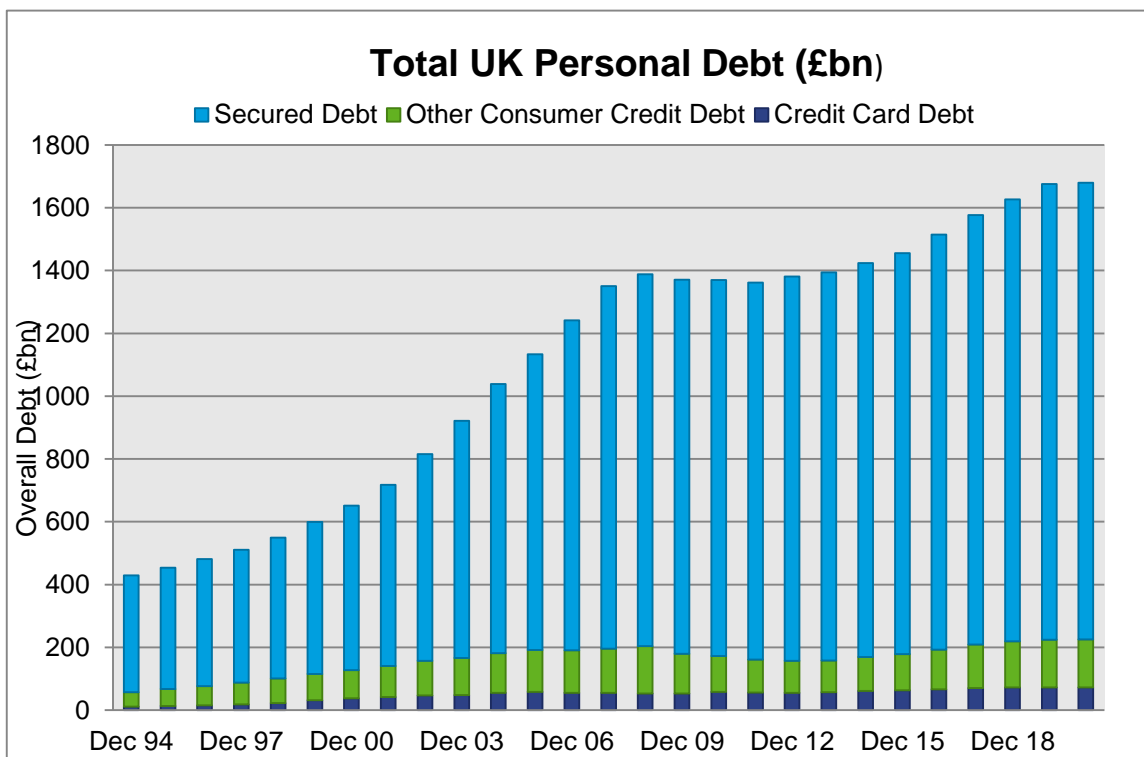


2. Personal Debt in the UK

Net Lending and Write-Offs

Total net lending to individuals and housing associations by UK banks and building societies **rose by £4.178 billion** in January 2020 or **£135 million a day** over revised figures for December 2019.

- Net mortgage lending rose by **£3.62 billion** in the month, while net consumer credit lending rose by **£0.557 billion**.
- In Q4 2019 lenders wrote off **£1.459 billion** (of which **£459 million** was credit card debt, amounting to a daily write-off of **£5.0 million**.)



Bank of England Data to January 2020



2. Personal Debt in the UK

Advice on Problem Debts

Citizens Advice Bureaux across England and Wales answered **420,602** enquiries in February 2020.

Debt was, as usual, the second largest advice category with **85,837** issues, behind Benefits and Tax Credits (**86,507**). There was a surge in calls about Universal Credit, up **129%** over February 2019 to **67,847**. Debt calls were up **3.6%** on February 2019. Debt represented **20.4%** of all issues dealt with in the year to February 2020. The top three debt categories in February 2020 were Council Tax arrears, credit, store and charge cards, and fuel debts. In the year to February 2020, Citizens Advice Bureaux in England and Wales dealt with **2,618** debt issues every *day*.

In Scotland, in the year 2018-19, Citizens Advice Scotland answered **703,685** enquiries, of which debt enquiries (**110,439**, **15.7%** of the total) were the second largest category (after benefits).

In Northern Ireland, in February 2020, Advice NI's Debt Action service dealt with **527** cases involving debt issues, covering **£4.3 million** of debt. The top three debts were credit cards, mortgage shortfall (negative equity) and personal loans.

StepChange Debt Charity reported advising **331,337** new clients between January and June 2019, their busiest ever first half of a year. The biggest reasons for falling into debt were 'experiencing injury or illness' (**16%**), 'experiencing a reduced income' (**18%**) and 'experiencing unemployment and redundancy' (**16%**).



2. Personal Debt in the UK

Individual Insolvencies

There were **29,261** individual insolvencies in England and Wales in October to December 2019. This is equivalent to **318** people a day or one person **every 4 minutes 32 seconds**. Individual insolvencies were **down 4.3%** on the revised figure for the previous quarter and **down 15.6%** on the same period a year ago, driven by a fall in IVAs.

Every day on average in England and Wales, **45** people were made bankrupt, **76** Debt Relief Orders were granted, and **198** Individual Voluntary Arrangements (IVAs) were entered into.

In the 12 months ending Q4 2019, **122,181** individuals, **1 in 381 (0.26%)** of the adult population of England and Wales became insolvent.

In Northern Ireland there were **656** individual insolvencies in October to December 2019, a rate of **7** per day. This comprised **372** Individual Voluntary Arrangements, **164** bankruptcies and **120** Debt Relief Orders. Individual insolvencies increased by **6.7%** on the same quarter the previous year.

In Scotland there were **3,312** individual insolvencies in October to December 2019, a rate of **36** per day, comprising **1,214** sequestrations and **2,098** protected trust deeds. Individual insolvencies increased by **3.1%** on the same quarter the previous year.

County Court Judgements

2,922 Consumer County Court Judgements (CCJs) were issued every day in England and Wales in October to December 2019, with an average value of **£1,705**.

In Northern Ireland, there were **19** consumer judgements every day in October to December 2019, with an average value of **£2,612**.

In Scotland, **54** consumer debt decrees were registered every day in October to December 2019, with an average value of **£2,582**.



3. Mortgages, Rent and Housing

Mortgage Debt

According to the Bank of England, outstanding mortgage lending stood at **£1.455 trillion** at the end of January 2020.

- This is up from £1.411 trillion a year earlier, an increase of **£43.8 billion**.

That means that the estimated average outstanding mortgage for the **11.0 million** households with mortgage debt was **£132,242** in January 2020.

The average mortgage interest rate was **2.37%** at the end of January 2020. Based on this, households with mortgages would pay an average of **£3,134** in mortgage interest over the year.

For new loans, the average mortgage interest rate was **1.87%**. Using the latest figures from UK Finance, this means new mortgages would attract an average of **£3,259** in interest over the year.

According to UK Finance, gross mortgage lending in December 2019 totalled an estimated **£22.2 billion**, **6.5%** higher than in December 2018. From the beginning of 2020, UK Finance is moving to quarterly reporting.

The Financial Conduct Authority reports that **59.5%** of mortgage lending in Q4 2019 was for 75% or less of a property's value.

- **5.7%** of lending was for mortgages for over 90% of a property's value.

There were **58,890** loans approved for house purchase for first-time buyers and home movers in December 2019, according to UK Finance, **1.7%** higher than last year. The average (mean) loan approved for house purchase stood at **£174,275** for first-time buyers and **£230,847** for home movers. This was an increase for first-time buyers of **4.3%** and an increase for home movers of **6.4%** compared with December 2018.

Note: these series were revised in April 2019, with UK Finance now reporting means rather than medians as the measure of average loan size.

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 in December 2019, slightly higher than the previous year.



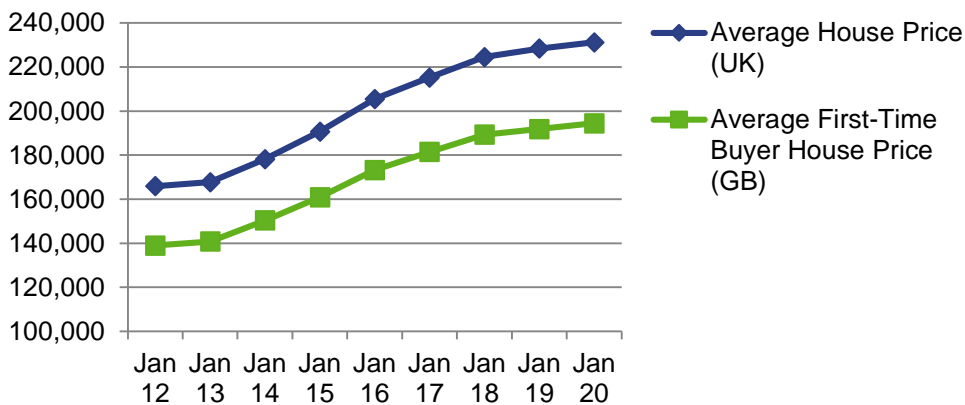
3. Mortgages, Rent and Housing

House Prices

Nationwide estimates that house prices increased by **0.3%** in February 2020 and by **2.3%** on 12 months before. Halifax reports that the average UK house price in February 2020 was **£240,677**, rising by **2.9%** in the three months to February 2020 and by **2.8%** in the year to February 2020.

Nationwide, Halifax and HM Land Registry all show moderately higher house prices over the last year. 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 **£194,464** in January 2020, an annual increase of **1.4%** and a monthly fall of **0.2%**.

According to UK Finance, the typical first-time buyer deposit in December 2019 was **23%** of the purchase cost (**around £52,056**) – **184% of an average salary**. The average first-time buyer borrowed **3.54** times their income.



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 **1.3%** in the year to January 2020 to **£231,185**. The highest rate of increase (**3.1%**) was in Yorkshire and the Humber. Above average price increases were also recorded by West Midlands (**2.6%**) and Northern Ireland (**2.5%**). The lowest price increases were in East of England (**-0.6%**) and South East (**-0.5%**).

The average house price was highest in London (**£476,588**) and lowest in the North East (**£126,592**).

Average House Prices: Nations and UK Regions – January 2020

Country and Government Office Region	Price	Monthly Change	Annual Change
Yorkshire and The Humber	£165,383	-0.90%	3.10%
West Midlands Region	£200,628	0.40%	2.60%
Northern Ireland (Quarter 4 - 2019)	£140,190	0.20%	2.50%
East Midlands	£195,707	-0.40%	2.30%
North West	£164,769	-1.50%	2.10%
Wales	£161,719	-2.90%	2.00%
Scotland	£152,121	0.60%	1.60%
London	£476,588	-1.10%	1.40%
England	£247,355	-1.20%	1.10%
North East	£126,592	-2.60%	0.90%
South West	£254,320	-1.80%	-0.10%
South East	£320,700	-1.20%	-0.50%
East of England	£286,999	-2.20%	-0.60%

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 February 2020, down from 1.5% for the 12 months to January 2020.

Over the year to February 2020, rental prices increased in Northern Ireland, Wales, Scotland and all the English regions. The South West (**2.3%**), East Midlands (**2.2%**) saw the biggest rates of increase. The lowest increases were in Scotland (**0.6%**) and the North East (**0.7%**).

The median rent in England across all private rental property types for the 12 months to 30 September 2019 was **£700**, according to the Valuation Office Agency and ONS. In London it was **£1,450**.

For a single room with shared facilities, the median monthly private rent was **£396**. In London it was **£600 (52% higher)**.

For two bedrooms, the median monthly private rent was **£675**. In London it was **£1,450 (115% 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 **£868** 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 **£417** 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.



3. Mortgages, Rent and Housing

Arrears and Repossessions

According to the Financial Conduct Authority, at the end of Q4 2019 there were **167,993** mortgage loan accounts with arrears of more than 1.5% of the current loan balance.

- This is down **2.8%** on the previous quarter and **8.9%** down on Q4 2018.

53.4% of payments due for loans in arrears were received in Q4 2019.

UK Finance reports that **70,880 (0.78%)** of homeowner mortgages had arrears equivalent to at least 2.5% of the outstanding mortgage balance in Q4 2019, **1.0%** down on the previous quarter. Over the last year, mortgages in arrears have fallen by **18** a day.

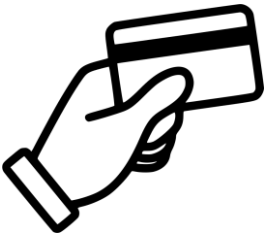
UK Finance estimates that there were **1,330** homeowner properties taken into repossession in the UK in Q4 2019.

This equates to **14** properties being repossessed every day, or one property being repossessed **every one hour forty minutes**.

In England and Wales, in Q4 2019, according to the Ministry of Justice, every day **68** mortgage possession claims were issued and **48** mortgage possession orders were made.

277 landlord possession claims were issued and **223** landlord possession orders were made every day.

Compared to October to December 2018, mortgage possession claims rose by **11%** and orders by **24%**, while landlord possession claims fell by **10%** and landlord possession orders fell by **6%**.



4. Spending and Loans

How We Spend

In the year to January 2020, consumer credit increased by **2.2%** according to the Bank of England, while outstanding levels of credit card borrowing fell by **0.3%**. This may be influenced by the FCA's new rules limiting persistent credit card debt.

Meanwhile, data from LINK show that, on average, **72.2** cash machine transactions (including balance enquiries and rejected transactions) were made **every second** in February 2020, a fall of **15.5%** on February 2019.

- In total, cash machine transactions were worth an average of **£45.60** 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**.

What We Buy

In Q3 2019, households in the UK spent **£109 million** a day on water, electricity and gas, or **£3.92** per household per day. On a seasonally adjusted basis, this was **5.2%** less than the revised figure for Q2 2019.

In February 2020 the average price of unleaded petrol fell by **3.4ppl** to **124.6ppl**.

- This meant it cost **£62.30** to fill a 50 litre unleaded tank, **£1.70** less than last month.

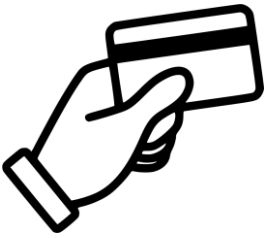
The average price of diesel dropped by **4.7ppl** to **128.0ppl**.

- This meant it cost **£64.00** to fill a 50 litre diesel tank, **£2.35** less than last month.
- The price difference between the two fell to **3.4ppl** in February, a difference of **£1.70** per 50 litre tank.

Based on AutoEurope figures, in 2017 it cost around **£2,618** a year to run a car (not including depreciation), or roughly **£7.17** a day.

Child Poverty Action Group's "The Cost of a Child in 2019" report estimates that couple families now spend **£150,582** on raising a child to their 18th birthday, **£22.92 a day**. This is an increase of **5.5%** since the study began in 2012.

- The cost for a lone parent is **£185,036**, an increase of **19.4%** since 2012.
- This comes to **£28.16 a day**.
- Since 2012, the percentage of basic costs covered by child benefit for couples has risen by **1.9%** to **21.7%**, but for lone-parent families has fallen by **2.2%** to **15.7%**.



4. Spending and Loans

The Cost of Credit

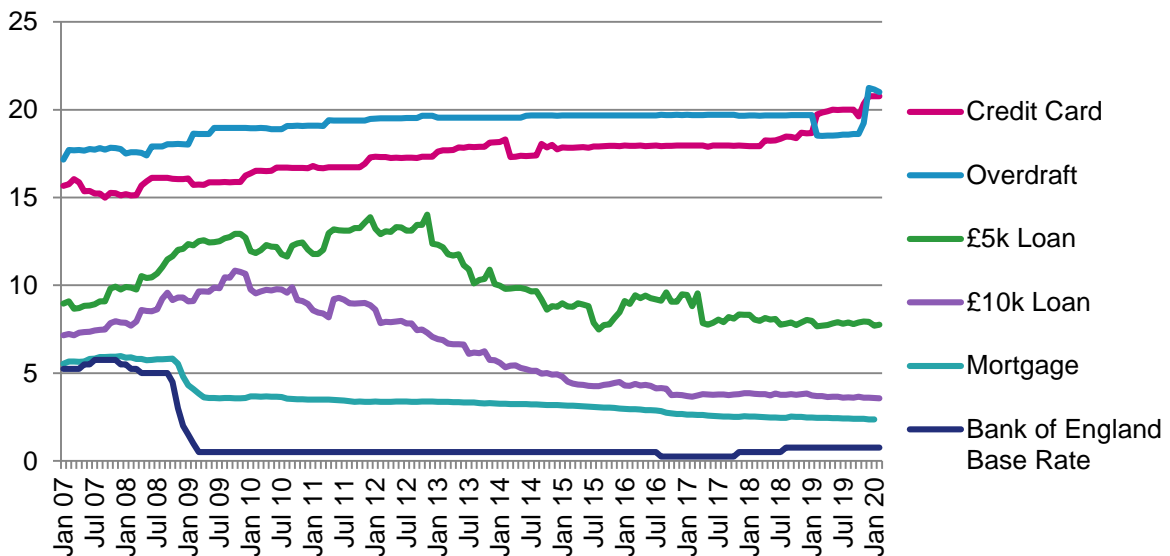
The average interest rate on credit card lending bearing interest was **20.77%** in February 2020. This was **20.02%** above the Bank of England Base Rate of 0.75%. (Due to the Covid-19 crisis, the Bank has since reduced its rate to **0.1%**, the lowest in its history.)

UK Finance figures show that **52.4%** of credit card balances were bearing interest in November 2019.

In February 2020, the average APR for a £5,000 personal loan was **7.75%**, according to the Bank of England. For a £10,000 loan it was **3.57%**, while the average rate for an overdraft was **21.0%**.

As shown in the chart, the gap between credit card and overdraft rates, and other interest rates has widened substantially since 2008.

Interest Rates (% pa to February 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 **0.39%** in January 2020. For a cash ISA, this was **0.56%**.

In Q3 2019, households saved an average of **5.5%** of their post-tax income, including benefits, the same as for Q3 2018. From 2000 to 2015, the savings rate fluctuated mostly in the 7-10% range, with a post-crash peak of 12.9% in Q1 2010. If someone on the average salary saved 5.5% of their income in an average instant access savings account for a year, they would receive **£4.89** in interest after tax. If they saved it in an average cash ISA, they would receive **£8.78**.

It would take **32 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 take **31 years**. This assumes 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 **10.26 million** workers had joined a pension scheme under auto-enrolment by the end of February 2020, making a total of **22.40 million** members of pensions schemes, but leaving **9.65 million** workers unenrolled, out of the total declared workforce of **32.05 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 August 2019, there were **12.6 million** claimants of State Pension, a fall of **200,000** on August 2018. Of these, **1.2 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, **1.88 million** people were members of credit unions in July to September 2019, an increase of **4.3%** over the same period in 2018. There were **428** credit unions, with loans to members to a value of **£1.64 billion**.

According to the FCA, **21.0 million** UK adults (**40%** of the total) did not have home contents insurance in 2017. According to ONS, **1.94 million** households did not have access to the Internet in 2019. This included **27%** of one adult households aged 65+.

Low income people pay a 'poverty premium' in buying their goods and services of **£256-£490** per year, according to the Social Market Foundation. 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 November 2019 to January 2020 there were **5.48 million** people aged 18 to 24. Of these, **1.75 million** were in full-time education while **3.48 million** were in employment (including those in full-time education who were also in employment).

Unemployment

410,000 18-24 year olds (**10.5%**) were unemployed in November 2019 to January 2020. This was **24,000** more than in August to October 2019.

- Of these, **133,000 (32.4%)** had been unemployed for over 6 months.
- **66,000** had been unemployed for over 12 months, an increase of **4,000** on August to October 2019 but a reduction of **7,000** on a year earlier.

763,000 (11.1%) of 16 to 24-year-olds in the UK were not in education, employment or training (NEET) in October to December 2019, a reduction of **26,000** over the last year.

Minimum Wage

For under 18s the minimum wage in 2019-20 is **£4.35**. The apprentice rate (for those under 19 or in the first year of their apprenticeship) is **£3.90**. For those aged 18-20, the minimum wage is **£6.15**. For those aged 21-24, **£7.70** and for those aged 25+, **£8.21**. These rates will increase on 1 April 2020.

Wages Paid

According to ONS, in April 2019 the median weekly pay for all full-time employees was **£585**. For employees aged 16-17 it was **£201.20**. For those aged 18-21 it was **£350** and for those aged 22-29 it was **£494.60**. For those aged 16-17, male and female pay was about the same. For those aged 18-21, the female median was around **£14** per week less than the male median. For those aged 22-29 the female median was around **£32** per week less than the male median.

Student Loans

In 2018-19, the provisional average maintenance loan awarded to full-time students in England was **£6,148** (up **10%** on the previous year.) In Wales it was **£4,604** and in Northern Ireland **£3,105**. The provisional average tuition fee loan in England was **£8,315** (down **0.4%**.) In Wales it was **£5,622** (up **44%**) and in Northern Ireland **£5,230**.

Student Debt

In England, the average debt per borrower at the end of 2018-19 was **£22,984**. In Wales it was **£15,441**, in Northern Ireland **£16,443** and in Scotland **£10,904**. The average debt for the latest cohorts to enter repayment was **£35,950** in England (2019), **£22,920** in Wales (2019), **£23,550** in Northern Ireland (2018) and **£13,800** in Scotland (2019).



8. The Bigger Picture

Economy and Inflation

The UK economy showed no growth in the three months to January 2020, according to the latest estimates from the Office of National Statistics, the same as the **0%** figure for Q4 2019. This contrasts with an increase of **0.5%** in Q3 2019 and negative **0.1%** in Q2 2019.

The Conference Board Leading Economic Index® for the UK increased by **0.1%** in January 2020, the first increase since the end of 2016. In the six months to January, the index fell by **1.4%**. **These GDP and leading index numbers are pre-Covid-19, which began to hit the economy in late February 2020.**

The CPI (Consumer Prices Index) increased by **1.7%** in the year to February 2020, 0.1% less than the year to January 2020. The highest rates of inflation over the 12 months to February 2020 were for communication (**4.5%**), health (**3.0%**) and education (**2.7%**). The lowest were for furniture, household equipment and maintenance (**0.1%**) and clothing and footwear (**0.2%**).

Pay Rates

In the three months to January 2020, regular pay increased by **3.1%** on the year before, while pay including bonuses also increased by **3.1%**. Average weekly pay was **£512**, or **£547** including bonuses; an annual salary of **£26,697**, or **£28,522** with bonuses. In real terms, for the year to January 2020, regular and total pay both increased by **1.5%**. Due to inflation being higher than pay growth over most of the last ten years, total real pay (**-3.6%**) and regular pay (**-0.4%**) were below their pre-crash peak in February 2008.

Public Sector Borrowing

Public Sector Net Borrowing (excluding RBS and Bank of England) in the three months to February 2020 was **-£7.1 billion** (i.e. a surplus), an average surplus of **£78 million** per day. Spending included **£15.94 billion** net investment, meaning there was a current budget surplus (due to seasonal tax collection) of **£23.03 billion** over the same period.

Public sector net debt in February 2020 (excluding RBS and Bank of England) was **£1,617.6 billion** (**71.4% of GDP**.) This was **£45.6 billion** more than in February 2019, an increase of **£124.6 million** per day.

According to the March 2020 Supplementary Forecast from the Office for Budget Responsibility, total public sector net debt was **80.6% of GDP** in 2018-19 and forecast to fall to **75.3% of GDP** in 2024-25. This is pre-Covid-19.



8. The Bigger Picture

Population, Taxpayers and Benefit Recipients

According to the latest ONS estimate, the population of the UK grew by **1,083** people per day between mid 2017 and mid 2018.

Out of a total adult population of **52.7 million**, there are projected to be **31.4 million** income taxpayers in 2019-20. Of these, **27.1 million** will be basic rate taxpayers, **3.8 million** people will fall into the 40% income tax band and **438,000** 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 **6.8 million** working-age people claiming benefits in February 2019. Housing benefit was received by **3.6 million** people (of all ages) in May 2019 while **2.3 million** were receiving Universal Credit on 11 July 2019.

Unemployment

The number of people classed as unemployed in November 2019 to January 2020 was **1.34 million** (**3.9%** of the workforce), **63,000** more than the previous quarter, and up **5,000** from the previous year, **14 a day**. The unemployment rate in the UK was highest in the North East (**6.2%**) and lowest in Northern Ireland (**2.4%**.) In Wales it was **3.3%** and in Scotland **3.5%**.

306,000 people had been unemployed for over 12 months, down by **40,000** (**110 a day**) from a year earlier.

Employment and Unemployment – Older Workers

302,000 people aged 50 and over were unemployed in November 2019 to January 2020, an increase of **11,000** on August to October 2019, and **10,000** on a year earlier.

- **33.8%** of unemployed workers aged 50 and over, a total of **102,000** people, had been out of work for over a year. **69,000** had been unemployed for more than two years.
- **1,348,000** (**11.2%**) people aged 65 and over were *in work*, **39,000** more than in August to October 2019, and an increase of **59,000** from the previous year.

Redundancies

106,000 people (**1,152 per day**) reported they had become redundant over the three months, **12,000** fewer than in August to October 2019.

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