

MONEYSUPERMARKET

Household Money Index

Quarterly Update December 2023

FOREWORD



Welcome to the first Christmas edition of the Household Money Index (HMI), our barometer of the UK's daily spending. This update reveals that while half of all household bills, such as insurance, have risen since September, other bills, like the cost of energy and some groceries, have dropped. As a result, the HMI has stayed steady with the average household spending 70% of its income on bills.

Households are finding savings on essentials, like mobile phones and broadband. With SuperSaveClub, our customers are also earning rewards when they choose to switch through MoneySuperMarket. Mobile phones and pet insurance will soon qualify for SuperSaveClub rewards too, helping more households make greater savings.

Our research shows how the cost of Christmas has risen in recent years and how different parts of the UK choose to spend their money when it comes to festive celebrations.

Peter Duffy
CEO of Moneysupermarket Group

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MoneySuperMarket's latest HMI reveals that while spend on 17 of the 32 bills analysed rose between September and December, a drop in energy costs steadied overall expenditure.

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BALANCING ACT

While Brits’ overall monthly expenditure didn’t change from September to December, this apparent steadiness hides an array of changes to what the nation is spending on individual bills.

The amount spent on **17** of the **32** bills analysed by MoneySuperMarket has actually increased by an average of **9.75%** since September.

As energy bills became more manageable and food and petrol prices began to fall in autumn, other household bills rose, including phone, health and pet insurance, balancing out any potential savings.

While we’ve seen a huge reduction in what households report they’re spending on their energy bills (**-38.85%**). However, the November Energy Price Cap announcement means that energy prices will rise from January.

Despite inflationary increases earlier in the year for household essentials like mobile phone and broadband contracts, Brits report savings of **20%** on both since our last survey. A positive sign that consumers are hunting for better value deals that make their money go further.

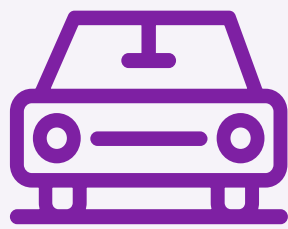
HMI BY NUMBERS:

£1,454.20
TOTAL MONTHLY OUTGOINGS:

70%
OF INCOME SPENT ON BILLS

£24,941 vs £25,147
INCOME (AFTER TAX) UP 1%

TRAVEL:



Vehicle fuel
- 7.63%

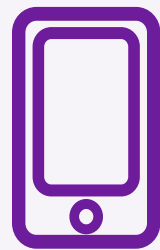


Public transport
+ 12.90%

SPENDING ON BILLS UP:



Home and contents insurance
+ 12.21%



Phone insurance
+ 16.55%



Health insurance
+ 11.11%

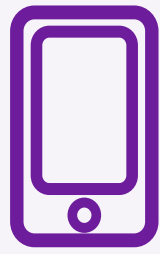


Pet insurance
+18.18%

SPENDING ON BILLS DOWN:



Energy
- 38.85%



Mobile phone contracts
- 19.72%



Broadband / Telephone
- 20.31%



Groceries
- 4.27%

Mobile SIM-only or contract plans are one of the bills that Brits have been saving cash on this quarter, spending an average of **20%** less than in September.

MoneySuperMarket site data shows that, throughout this year, SIM-only deals have been **76%** more popular than contracts, suggesting more of us are sticking with our current handset and switching networks to save cash.

Unlimited data plans are six times more popular than all other data deals – and purchases of SIMs spiked in November with Black Friday, just in time for Christmas.

THE CHRISTMAS HMI

The average UK household is set to spend **£1,811.70** this Christmas.

Of that figure, just **£278.50** is for gifts for friends and family – and **£267.70** is on food and drinks. So what about all the rest?

Our Christmas edition of the HMI shows that the costs of the season stretch far beyond just food and presents.

Travelling to see family, nights out, batteries, gadget insurance and data plans, gifts for teachers and pet boarding – it soon adds up.

The average monthly income is **£2,095.58** in the UK, and each household is set to spend **80%** of that just paying for Christmas.

If you feel like Christmas gets more expensive every year, you're right.

Overall, adjusting for inflation, Christmas costs **290%** more today than 30 years ago.

Of course, there are more things to pay for now than then.

But even comparing the same products and services available in 1993 and today, Christmas costs are running at a staggering **93%** above the rate of inflation.

£1,811.70

THE AVERAGE UK HOUSEHOLD EXPENDITURE FOR CHRISTMAS 2023

290%

THE INCREASE IN CHRISTMAS COSTS
COMPARED TO 30 YEARS AGO

80%

THE AMOUNT OF AVERAGE MONTHLY
INCOME SPENT ON CHRISTMAS

93%

THE AMOUNT CHRISTMAS COSTS
ABOVE THE RATE OF INFLATION



CHRISTMAS COSTS

UNDER THE CHRISTMAS SPREE

This Christmas edition of the HMI is the most in-depth evaluation of what UK households spend to make the festive season cheery and bright.

Covering more than just the cost of presents, trees and turkeys, it analyses a basket of **24** of the less obvious, but no less essential, costs of the festive season.

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2023 CHRISTMAS SHOPPING LIST

| | |
|--------------------------|---------|
| Festive drinks | £79.30 |
| Accommodation | £145.40 |
| Travel expenses | £126.30 |
| Groceries | £123.80 |
| Turkey | £64.60 |
| Meals / drinks | £113.00 |
| Christmas activities | £108.40 |
| Christmas clothing | £100.80 |
| Batteries | £17.20 |
| Christmas spruce-up | £87.10 |
| Extended warranties | £32.20 |
| Pet care or boarding | £117.40 |
| Energy bills and heating | £52.20 |

| | |
|--|---------|
| Gadget insurance | £38.20 |
| Travel Insurance | £35.60 |
| Work Christmas party expenses | £35.50 |
| Charitable donations | £32.20 |
| Gifts for family and friends | £278.50 |
| Christmas cards and postage | £21.80 |
| Christmas tree, ornaments, home decorations and lighting | £30.30 |
| Gifts and tips for service workers | £29.70 |
| Contracts or data plans | £30.60 |
| Wrapping paper, gift tags and tape | £17.20 |
| Gifts for yourself | £94.40 |

Christmas costs total £1,811.70

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[www.moneysupermarket.co.uk/
household-money-index-dec23](http://www.moneysupermarket.co.uk/household-money-index-dec23)

MANCHESTER IS MAD FIR IT WHILE BRIGHTON KEEPS IT CASUAL

MANCHESTER – Festive blow out
Manchester tops the poll for festive spending – £2,274.80 per household – 25% more than the UK average.

Food and drink make up a large portion of that spend, with sociable Mancunians spending the most on festive food at home – £334.50 per household compared to an average of £267.70 – and the most on eating out (£143.10 vs £113.00 avg) over the Christmas season. There are plenty of glasses being raised in the city with households spending £107.60 on alcohol, 35% more than average of £79.30 – and double what lowest placed Belfast spends.

Mancunians admit they’re not averse to buying the odd gift for themselves when they’re Christmas shopping, spending £123.40 on themselves versus an average of £94.40.

It’s one of only two places to spend more than a month’s average income on its Christmas festivities – 103% of the average monthly income in the UK.

It pays to be a postie, bin collector or milk delivery person in Manchester, where households spend an average of £43.30 on tipping – twice as much as Newcastle (£17.90).

BRIGHTON - Turkey dodgers
Brightonians spend by far the least on Christmas, just £1,059.30 per household – over £1,200 less than Manchester. Notably, the official ‘Vegan Capital Of The World’ spends the least on turkey – just £23.30 on average, nearly a quarter of what turkey-mad Birmingham (£91.30) spends. Brighton’s Christmas feast is also by far the cheapest, at just £169.90 compared to the average of £267.70.

Savvy gift buyers spend £204.90 on presents for family and friends, the least in the UK, as well as the least on gifts for themselves while out shopping (£25.60).

BELFAST – Big spenders
Belfast households spend more as a proportion of income on Christmas than anywhere in the UK – earning an average income of £1,726.17 per month and spending £1,845.30 (107%) on Christmas.

The Northern Ireland capital spends the least in the UK on alcohol, just £51.10 per household on average.

It’s also the second most charitable place after Edinburgh, donating an average of £38.40 per household at Christmas, compared to an average of £32.20.

SOUTHAMPTON – Southampton Santas
Southampton households spend £387.70 on Christmas gifts for family and friends – more than anywhere else.

The south coast city – home to one of the UK’s biggest Christmas markets – also spends on average £152.30 on Christmas activities, compared to a national average of £108.40.

SHEFFIELD – Spruce up capital
Sheffield households spend more on haircuts, fake tan, and getting their nails done than anywhere else in the UK – £140.60 against an average of £87.10.

Sheffielders also spend more than anywhere else on getting away for the festive season – £216.10 on accommodation, compared to the UK average of £145.40.

HMI TOP 10 CITIES

| | | | |
|----------------|------------|--------------|---------------|
| 1. Manchester | 4. London | 7. Edinburgh | 10. Sheffield |
| 2. Birmingham | 5. Belfast | 8. Norwich | |
| 3. Southampton | 6. Leeds | 9. Liverpool | |



* Figures from a poll of 2,000 UK adults
* Cities also polled include Bristol, Cardiff, Glasgow, Newcastle, Nottingham, Plymouth and Brighton

NOW VS THEN

We've consulted the Ghost of Christmas Past to compare the costs of Christmas today with 30 years ago, when MoneySuperMarket began helping households save money.

Many of the costs analysed, like gadget insurance and Christmas markets, didn't exist 30 years ago, meaning there are quite literally more things to pay for today.

But even comparing like-for-like costs and adjusting for inflation, Christmas today is over twice as expensive as in 1993 when the average Brit spent just **£229.48** on Christmas – or **£464.43** when adjusted to today's money.

That means the **£1,811.70** average overall cost of Christmas in 2023 is **290%** higher than festive spending 30 years ago.

Like-for-like costs comparing Christmas goods and services available in both 1993 and today show an average price rise that is **93%** above the rate of inflation in that time.

CHRISTMAS HMI 2023

| | | |
|---|---|--|
| <div><div>↑</div><div></div><div>Gifts for family and friends</div><div><div>1993</div><div>£164.51</div></div><div><div>2023</div><div>£278.50</div></div></div> | <div><div>↑</div><div></div><div>Wrapping paper, gift tags and tape</div><div><div>1993</div><div>£4.11</div></div><div><div>2023</div><div>£17.20</div></div></div> | <div><div>↑</div><div></div><div>Travel Insurance</div><div><div>1993</div><div>£32.90</div></div><div><div>2023</div><div>£35.60</div></div></div> |
| <div><div>↑</div><div></div><div>Christmas cards and postage</div><div><div>1993</div><div>£14.39</div></div><div><div>2023</div><div>£21.80</div></div></div> | <div><div>↑</div><div></div><div>Food / groceries</div><div><div>1993</div><div>£71.97</div></div><div><div>2023</div><div>£123.80</div></div></div> | <div><div>↑</div><div></div><div>Turkey</div><div><div>1993</div><div>£34.79</div></div><div><div>2023</div><div>£64.60</div></div></div> |
| <div><div>↑</div><div></div><div>Christmas drinks</div><div><div>1993</div><div>£28.79</div></div><div><div>2023</div><div>£79.30</div></div></div> | <div><div>↑</div><div></div><div>Work Christmas party expenses</div><div><div>1993</div><div>£26.60</div></div><div><div>2023</div><div>£35.50</div></div></div> | <div><div>↑</div><div></div><div>Christmas activities</div><div><div>1993</div><div>£24.68</div></div><div><div>2023</div><div>£108.40</div></div></div> |
| <div><div>↑</div><div></div><div>Christmas spruce-up</div><div><div>1993</div><div>£12.34</div></div><div><div>2023</div><div>£87.10</div></div></div> | <div><div>↑</div><div></div><div>Batteries</div><div><div>1993</div><div>£10.28</div></div><div><div>2023</div><div>£17.20</div></div></div> | <div><div>↓</div><div></div><div>Christmas tree, ornaments, home decorations & lighting</div><div><div>1993</div><div>£39.07</div></div><div><div>2023</div><div>£30.30</div></div></div> |

(all bills represent average monthly cost)

SOURCES & METHODOLOGY

Polling

All consumer polling figures unless otherwise stated are from a poll of 2,000 adults carried out on behalf of Moneysupermarket Group by Opinium between 3rd November - 7th November 2023. Opinium are company partners of the Market Research Society (MRS) and abide by its code of conduct and guidelines for best practice when carrying out research for clients, ensuring results are accurate, impartial and fair to both clients and participants.

The core HMI was calculated from the replies of 2,000 adults self-reporting how much they spend per average month on 32 different categories. The categories were determined by Moneysupermarket Group experts to represent a ‘basket’ of common household bills and expenditures. Results have been weighted to be nationally representative.

Polling data was subjected to statistical analysis, including cross-tabulations and sentiment analysis. These analyses allowed for the identification of significant trends, preferences, and consumer sentiments pertaining to the HMI.

Proprietary data

MoneySuperMarket is a price comparison site processing millions of quotes per month on over 40 financial products and services. These millions of quotes provide a rich source of data from which MoneySuperMarket has determined historic policy prices for the insights throughout this document.

External sources

The document uses a number of external sources to calculate and compare its findings and to provide historical context where necessary.

- The Bank of England’s inflation calculator has been used throughout the accompanying report for consistency in comparisons, comparing 1993 to July 2023.
- National Archive data has been used in all instances where historic income figures are used for comparison.
- A range of sources were used to determine the historic cost of services and policies where prices were not available through Moneysupermarket Group proprietary data.

Expertise integration

MoneySuperMarket’s three decades of experience and expertise in tech and finance played a pivotal role in the analysis process. Subject matter experts were actively involved in interpreting the data, providing insights, and contextualising findings.

Synthesis of findings

The insights derived from website data analysis, consumer polling, and the invaluable input of Moneysupermarket Group’s seasoned experts were meticulously synthesised. This synthesis encompassed identifying key trends, challenges, opportunities, and actionable recommendations to produce the results throughout the Index and accompanying report.

Fact checking

All information in the index and accompanying report has been professionally fact-checked and is correct to the best of MoneySuperMarket Group’s knowledge at the time of publication 6th December 2023.



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