

MONEYSUPERMARKET

Household Money Index 2023



FOREWORD

I'm delighted to be introducing the first Household Money Index (HMI), a new annual barometer of the UK's daily money habits. To mark 30 years of helping the nation to switch and save, we've pulled together insight and expertise from across MoneySuperMarket to share this unique spotlight on the finances of households nationwide.

Assessing costs of 31 different bills, from insurance, broadband, water, and Council Tax through to groceries, streaming services and travel costs, the HMI offers an evaluation of how much people in the UK are spending on their bills and how this varies among different sections of society, between age groups and around the UK.

We've sought to explore both what the nation is spending on and how we've changed our habits amid the current downturn. How the money we spend today affects our relationships, our wellbeing, our decision-making, and our thoughts about the future. The HMI looks at the inventive ways people are saving cash around the UK and features examples of how people are budgeting and switching their way through life.

Over the last year, the UK's average committed spend - money that is already accounted for (for example on rent or bills) on payday - is £48.47 per person per day, equivalent to 70% of the average income. The HMI found young people have the highest daily expenditure, spending £59.30 per day, equivalent to 77% of their average income.

The report also reveals how household bills have changed compared to 30 years ago - with bill payers having to spend the equivalent of £570 per month more across the same bills including electricity, gas, rent and mortgage.

However, 43% of people are checking their bank accounts more often, while 62% of parents say their children now understand more about money - we're a nation of savvy savers.

**Peter Duffy, CEO
of Moneysupermarket
Group**

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INTRODUCING THE HOUSEHOLD MONEY INDEX

The average Household Money Index is

£48.47

PER PERSON PER DAY ON HOUSEHOLD
BILLS AND LIVING EXPENSES.

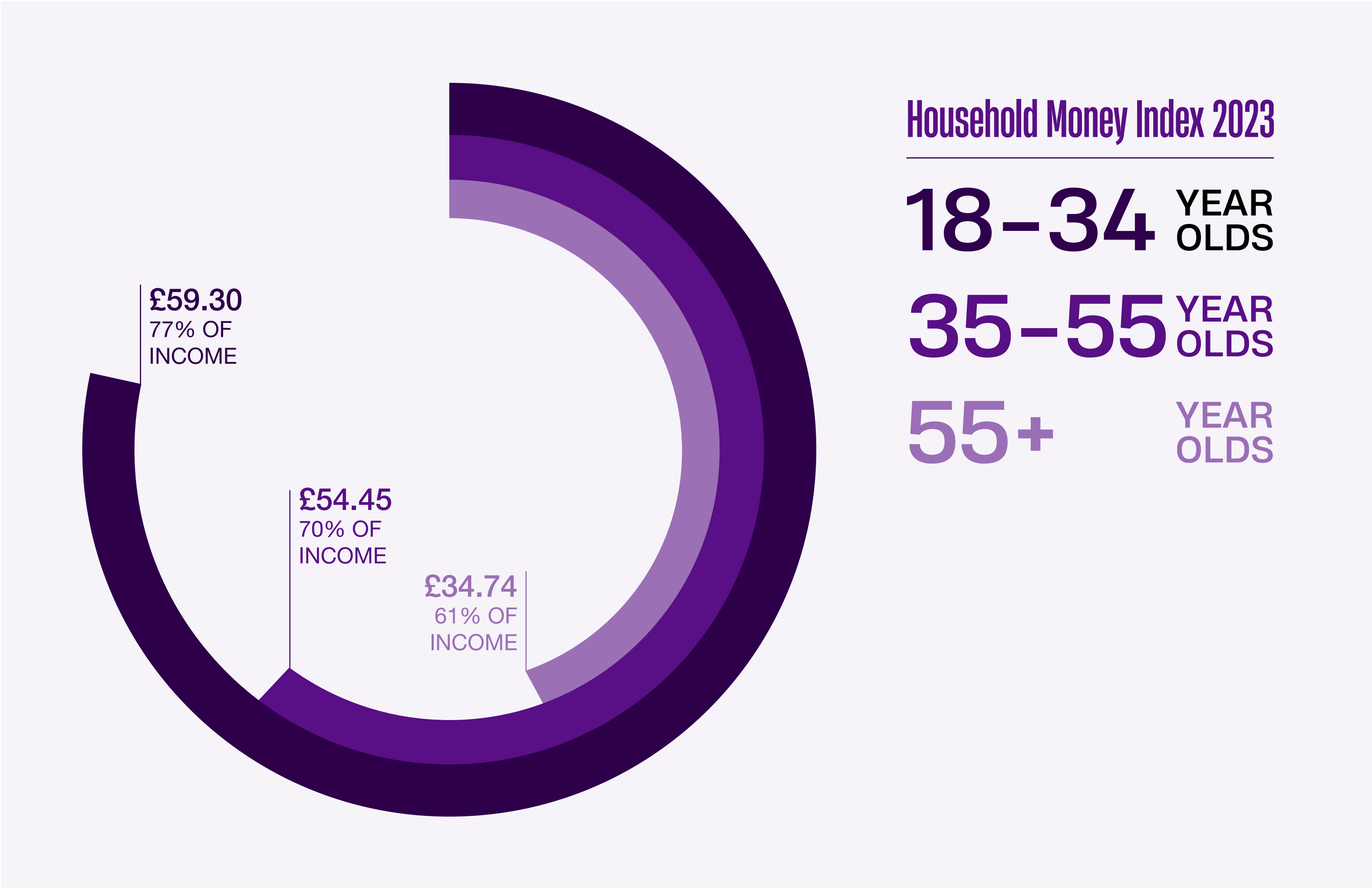
For an adult who earns the average UK salary of £24,941
a year, that's

70% of their income.

30 years ago, when MoneySuperMarket began, the average
UK householder spent 29% (£12.75 per day) of their income
on committed outgoings - based on a salary of £15,581.80.

The Household Money Index (HMI) is calculated by analysing 31
different outgoings, from water bills, Council Tax and insurance
through to groceries, streaming services and travel costs.

It shows that young people are bearing the brunt. Their HMI is 70%
higher than older generations who might not have to worry about rent,
or have paid off their mortgages. While younger people will also be
paying out more for expenses like childcare and travelling to work.



PLUNDERWALL

MANCHESTER TOPS LEAGUE, WHILE SOUTHAMPTON BECOMES AN OASIS

Manchester – highest HMI

The place in the UK that people have to spend the most every day is surprisingly not London, but Manchester.

Mancunians top the HMI table, spending £1,784.90 a month – £59.50 a day – on every day costs. This figure represents 76% of the average Mancunian’s income after tax of £28,158.00.

Just like in other areas of the country, there are ways to help lower the cost of household bills by finding out where switching could help make savings.

- The city spends more on the following than anywhere else:
- energy (£161.30 v £133.30 avg)
 - phone contracts (£74.10 v £42.50 avg)
 - car insurance (£49.20 v £39.10 avg)
 - pet insurance (£25.20 v £14.40 avg)

- It’s among the highest for:
- broadband (£69.20 v £54.50 avg)
 - school costs (including clothes and childcare) (£86.90 v £63.70 avg)

It also has the highest spend on toiletries, gym membership, gaming and news subscriptions.

Newcastle – lowest HMI

Geordies have the lowest HMI in the UK – £37.98 a day. This figure represents 71% of the average citizen’s income after tax of £19,151.00.

Norwich – highest HMI relative to income
Norwich’s cost of leaving the house is £45.32 per day, just below average. However, the East Anglian city has the highest daily cost relative to income. Among the lowest average incomes at £19,674.00, 83% is committed spending.

Southampton – lowest HMI relative to income
The place with the lowest daily cost relative to income is Southampton, at 63%. Annual income after tax is almost exactly average at £24,913.00, but high relative to its HMI of £43.35 per day.

London – surprisingly low HMI relative to income
London has the highest average income, at £30,302.00, and a relatively high HMI of £55.72 per day. However, its higher income means this high HMI cost puts London among the lowest when measuring spend as a proportion of income.

Cardiff – highest loan repayments
People from Cardiff pay £41.70 per month – 45% more than the average – on loan repayments, and nearly 60% more than average on TV and music streaming services (£35.30 per month).

Glasgow – savvy spenders
Glaswegians spend the least on water bills in the UK – less than half the average (£22.40 v £55.60). They also spend among the least on phone insurance, health insurance and car insurance.

HMI TOP 10 CITIES

1. Manchester	4. Cardiff	7. Leeds	10. Southampton
2. London	5. Birmingham	8. Norwich	
3. Liverpool	6. Belfast	9. Brighton	



NOW V THEN

We've taken a look back at household costs from 30 years ago and found that – taking inflation into account – people in the UK are spending around twice as much on their household bills and other expenses than in 1993.

Back then, the average total for a householder paying either mortgage or rent, electricity, gas, telephone, TV licence and car insurance was £382.39 per month, which is £774.98 in today's money.

In 2023, the average monthly cost of bills is £1,345.25. And there are also more household bills to pay for today – from broadband to TV subscriptions, the average person pays the equivalent of £570 per month more for their bills today than in 1993.

These bills have increased by one and a half times the rate of inflation over the last 30 years – so it really does pay to shop around.

Household Money Index 2023



Electricity
1993
£31
2023
£96



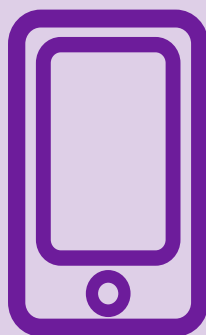
Gas
1993
£27
2023
£112



Rent
1993
£300
2023
£1,243



Mortgage
1993
£200
2023
£665



Telephone (fixed landline)
1993
£25
(£99 connection of landline)
2023
£37 Mobile phone
£30 Broadband



Car insurance
1993
£30.50
2023
£56.25



Colour TV licence
1993
£6.90
2023
£13
Colour TV licence

TV package (including satellite, cable, subscriptions)
1993
£11.99
2023
£47
TV subscriptions

TOTAL
(taking average between rent/ mortgage payers)
£382.39
(£774.98 adj inflation)
£1,345.25
(£570.27 more than 1993)

(all bills represent average monthly cost)

DAVINIA TOMLINSON, PERSONAL FINANCE EXPERT

SO MANY MORE BILLS TO KEEP ON TOP OF. HERE'S MY ADVICE



Back in 1993 there was a single telephone company. Today there are over 50. There were no internet providers, or music or TV subscriptions. Gyms were a fledging industry, and mobile phones were for yuppies. You could only buy olive oil from the chemist. Simpler times.

Even adjusting for inflation, the average person in the UK spends a staggering £570 a month more on their household bills than they did back then. Put simply, there are more things to pay for now than there have ever been. We've got more choice, and more

convenience. But there are costs on your wallet and on your mind. When your options are limitless, knowing how to prioritise is difficult.

Here's three tips:

Couch to 5k
Think of it as Couch to 5k for your bank account. You wouldn't get up and run the full distance on day one, so don't try and overhaul your finances all at once. Start by finding out where your money is going. Go through your spending using banking apps or statements. You might find some quick wins, like subscriptions you'd forgotten about and can cancel to start saving straight away.

The B word
Once you know where you're spending your money, it's time to set up your budget. Look at your income every month and your fixed outgoings – like rent or mortgage, broadband, mobile, insurance, travel, food. Set targets for each category and track your spending (there are great apps that can help). Don't beat yourself up if you don't get it right first time, it's a process to get your budget right.

Make every penny count
We can't avoid spending money – so when you do, get maximum value. Start with your bills. Are you paying more than you need to for broadband, your mobile, insurance? Compare and switch and keep track of what you save. If you can move savings to a high interest savings account, you'll be surprised

at how it all adds up. You can earn up to £150 cash for switching your current account and it takes moments. If you shop online don't miss out on cashback. Quidco is free to join, and you can earn cashback from 5,000 online retailers on things you were going to buy anyway.

Follow @rainchq on Instagram

BENEFITS OF SWITCHING

Young people are more heavily insured than older generations – spending four times the amount on life and health insurance and seeing more value in protecting their phones, home and contents.

Insurance per month

HOME & CONTENTS INSURANCE	PHONE INSURANCE	CAR INSURANCE	LIFE INSURANCE	HEALTH INSURANCE	PET INSURANCE
£33.60	£30.00	£51.20	£33.20	£32.40	£30.00
£26.60	£9.70	£38.30	£21.60	£14.70	£13
£21.60	£0.80	£31.10	£8.00	£6.00	£4.90

18-34 35-44 55+*

SPENDING DISPOSABLE INCOME

Younger people earn on average £27,582.00*. This is £7,006.00 more than the average over-55 income* of £20,576.00. So they have more disposable income, and spend more of it both overall and proportionately. However, over-55s still spend more on food compared to 18-34s (£128.80 v £194.20) – a quite considerable £65.40 a month (51%) more. Although it's the middle age group of 35-54-year-olds – who are more likely to have children living at home – that spend the most on groceries at £201.10.

Non-essential per month

TOILETRIES	GYM MEMBERSHIP	STREAMING SUBSCRIPTIONS	GAMING	NEWS SUBSCRIPTIONS
£40.60	£33.10	£38.00	£27.40	£24.30
£29.50	£13.10	£38.30	£23.90	£9.10
£14.50	£3.40	£31.10	£9.70	£3.20

* Income includes all sources including wages, benefits, pensions, bonuses after tax.

MEN'S UNDERWEAR...UP HAIR...CUT RAISING CINE...MORE

In a sign of consumer confidence, we found that people around the UK are still spending on non-essentials. And the news is pants...in a good way.

We analysed eight areas of spending to build a picture of how people are choosing to use their disposable income. We asked our survey respondents if they'd done these things more or less in the last 12 months compared to the previous 12 months.

We deliberately chose ordinary activities and purchases to build up a picture of trackable shopping and lifestyle habits. Economists have historically used these examples as key indicators of an impending recession. One of them includes men purchasing fewer pairs of pants in financially hard times.

We saw increases in almost every area, particularly hairdressing appointments, beauty treatments and cinema trips. And - yes - in what could be a positive sign for the economy, men confirmed they're snapping up more Y Fronts and boxer shorts than they did in the previous 12 months. Let's hope it's not just (ahem) a brief turnaround.

Household Money Index 2023

HAIR APPOINTMENTS



- ↑ **13% rise** in people getting their hair done over last 12 months, particularly amongst men where there was a hair-raising **63% increase**
- ↑ Amount of younger people booking appointments almost doubled, from 18% to 36%
- ↓ Over 55s paid to get their hair done **40% less** than the year before

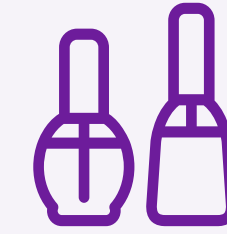
BUYING NEW PAIRS OF UNDERWEAR



- ↑ Amount of pants bought by men increased by 40% year on year
- ↑ Amount bought by 18-34 year olds 36% up
- ↓ Amount of underwear bought by women decreased by 37%

BEAUTY TREATMENTS

(nails, pedicures etc)



- ↑ Amount of beauty treatments increased by 32% year on year
- ↑ The biggest rise came among 18-34 year olds...up by 100%
- ↑ High earners (those earning £100k+) 51% said they go more often than the previous year... compared to just 3% who said they have been fewer times

TAKEAWAY TEAS/COFFEES



- Takeaway coffee and tea consumption was averagely the same as the year before across the UK
- ↑ 18-34-year-olds bought twice as many hot drinks this year as last

BUYING LUNCH AT WORK

(as opposed to bringing a packed-lunch)



- ↑ Nearly one in three people say they are buying lunch at work more this year than last – up by a third
- ↑ Nearly half of all 18-34-year-olds are doing this more, compared to 19% who are doing it less often
- ↓ One in five over 55s are buying lunch at work less often than they were the year before

NEW TRAINERS



- ↑ Trainer purchases were 3% higher than last year
- ↑ Nearly a third of younger people are buying more trainers
- ↓ Over a quarter of 35-54 year olds are buying fewer pairs

DRINKING CHAMPAGNE

(or similar)



- ↓ People are drinking marginally less champagne year on year
- ↑ 18-34-year-olds buck the trend, with a third saying they have drunk more in the last 12 months, compared to 21% who drank less
- ↑ Those living in London are drinking champagne 27% more often

CINEMA VISITS



- ↑ Cinema attendance is 3% higher than last year
- ↑ 36% of 18-34-year-olds have gone to the cinema more often
- ↑ People in Belfast had the biggest increase in visits to the big screen
- ↓ Nearly a quarter of 35-54 year olds have gone fewer times

HAVING A BUDGET MEANS WE CAN'T SLIP



MoneySuperMarket customer Lydia Garner has become a savings guru among her friends at the school gates.

And she puts it all down to setting a budget that has helped her save £2,000 in the space of 12 months.

The mother of two from Southampton says that sitting down one rainy Sunday afternoon to draw up her exact outgoings then how much that is per day, was the start of her beginning to get on top of her finances.

This report found huge benefits of setting a budget yet the majority of people in the UK (56%) don't do it.

Salesperson Lydia, 43, said: "I recommend it to other people and I've helped plenty of friends with their finances. Having a daily budget means I know exactly what I am spending, and where the savings are.

"I spend £10 a day on a morning routine, including breakfast and commuting expenses, £20 on household bills including energy and broadband, £3 a day on packed lunches for work and £15 a day on groceries.

"Knowing what you're spending each day, from the moment you wake up, is essential to understanding your disposable income. It keeps you accountable, so if you overspend one day, you know you have to balance it out later.

"It sounds like a faff but it's not - in fact it's made me realise I have £80 per month to have fun with the family."

She also joined MoneySuperMarket's SuperSaveClub to get cash rewards on car, home and travel insurance as well as broadband.

WE'VE RELIED ON TECHNOLOGY TO HELP SAVE FOR A HOME



Over 40 house viewings, putting in five offers and being gazumped on each one.

This is the reality of South London house hunting for **Kate Mack** and boyfriend **Andrew Jones**, who are trying to get on the property ladder for the first time.

Yet, as their budget has needed to increase to

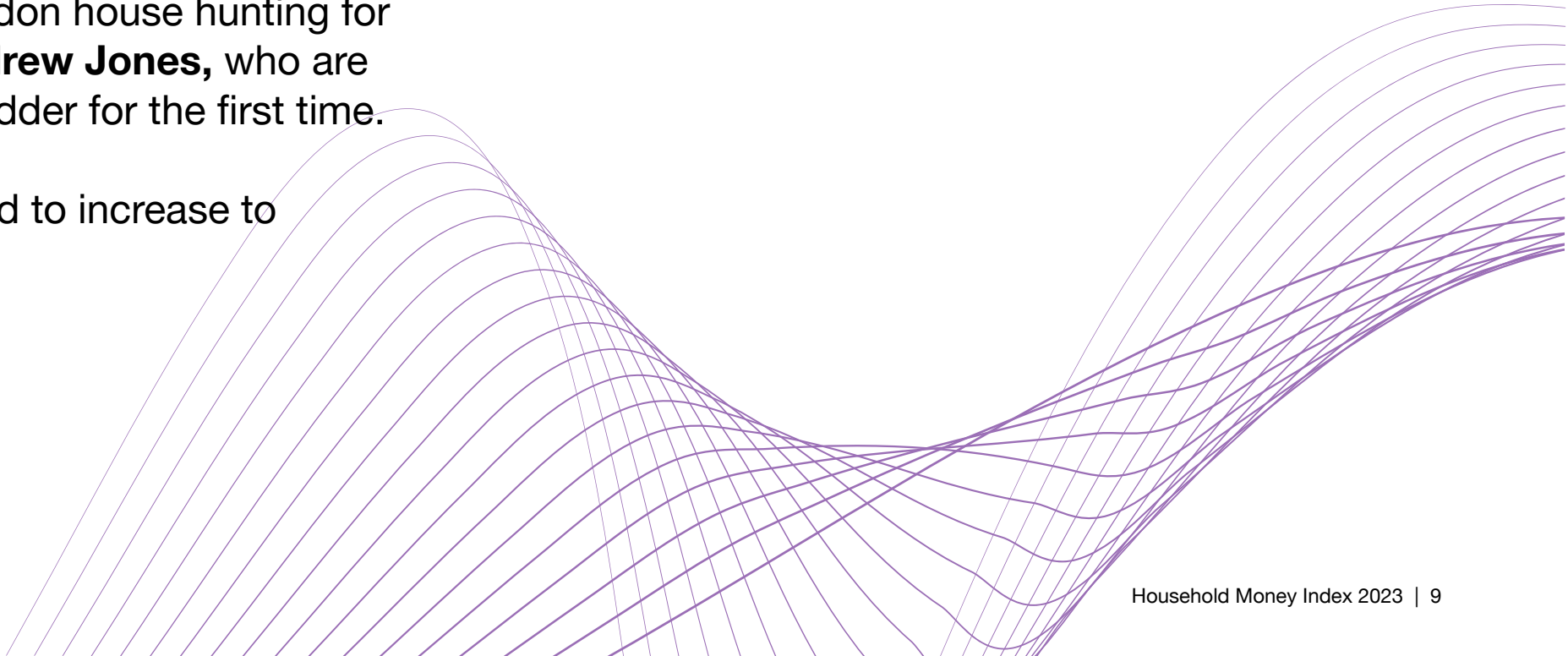
compete, they have overhauled their finances and become avid switchers, saving £2,000 in 12 months.

Kate said: "We first turned to price comparison websites to get an idea of different mortgage rates. We quickly realised we should start using them for everyday expenses and decided to do a complete overhaul of our household bills.

"Saving can be contagious. We've also embraced second hand shopping and are more conscious about how much we spend on groceries, dining out and entertainment.

"MoneySuperMarket's SuperSaveClub will give us cash rewards when we switch, on top of the savings we're already making by switching to better deals.

"Every time we save a pound, we know we're a bit closer to finally getting our home."



PARTNERING FOR SUCCESS

BY MIKE PHILLIPS, CHIEF COMMERCIAL OFFICER, MONEYSUPERMARKET GROUP



Whether you're looking for travel insurance, a new savings account, or a different broadband provider, we work with companies across Insurance, Money, and Home Services to bring the best value products and services to MoneySuperMarket.

The relationship we have with providers is a true partnership. We're continuously investing in the technology that drives MoneySuperMarket so our providers can bring the best quality and value deals to consumers quickly. Offering the best prices is fundamental to everything we do, alongside giving MoneySuperMarket visitors a choice of suitable products, and a great experience. The result is savings for households across the UK – and now more than ever, that's what we all need.

As well as having a serious effect on UK households, the economic backdrop is challenging for providers. We're proud of the work we're doing to support our providers in taking the best deals to our customers across our range of comparison services. This is best exemplified by the work we're doing with our provider APIs, which allows their technology to interface directly with ours, and enables insurance companies to pilot new products on MoneySuperMarket and benefit from our industry-leading go-to-market distribution speeds.

Insurance

In the past year the range of car and home insurance products has grown to help suit different circumstances and budgets. For example, we now have more than 160 different car insurance products available including black box or telematics insurance (drivers use a monitoring device, and insurers reward responsible driving with lower premiums), online only (where the policy is managed entirely online), pay by mile or by hour policies (a device records how far or long drivers travel and shares it with the insurer), and fully comprehensive cover for complete peace of mind.

Money

The interest rate environment has been turbulent to say the least, with interest rates increasing 14 times since 2021 from the historic low of 0.1%. To support our customers, we've sourced great current account switching deals, with up to £200 on offer, and instant access savings rates which have increased to over 5%. Our credit eligibility and Credit Monitor tools help our customers understand the best loan and credit card deals.

Home Services

Energy bills are one of the biggest outgoings for households. We're working with energy providers, and we're poised for the return of the switching market. Quite rightly there has been huge focus on energy prices, but it's important not to overlook innovations that are happening in the energy market. We'll work with suppliers to bring more of these innovative products to our customers – tariffs that offer great value, deliver more sustainable energy, and meet the current and future needs of households, supporting drivers of electric vehicles and households that have invested in micro-generation, such as solar panels.

“

**WE'RE PROUD OF THE WORK
WE'RE DOING TO SUPPORT
OUR PROVIDERS**

”

Finally, the launch of SuperSaveClub is a proud moment for us. Members will not only earn rewards when they buy car, home, annual travel insurance and broadband, they'll also receive perks including MoneySuperMarket's Free Days Out Annual Pass and discounts powered by Quidco. We're giving our customers long term value, so they come back time and time again. We're excited for what the future holds, and to be working with our partners to keep helping households save.



YEAR OF CHANGE

Whether it's home insurance or car insurance, the last 12 months has seen significant price rises. MoneySuperMarket and Moneysupermarket Group have worked hard to help consumers keep finding the best deals as prices keep changing.

Our proprietary data shows an increase in the cost of insurance across the board – sometimes above inflation rates. Premiums, particularly for the likes of car insurance, have gone up due to increased costs such as parts and paint, as well as higher labour costs.

Car Insurance

- Average annual premium has increased by 27% in two years, going from £520 in 2021 to £661 in 2023. This includes a 12% increase between 2022 and 2023.
- More people are taking out basic cover – with 70% opting not to pay for breakdown or legal cover versus 65% last year.
- Under 30s have seen a 17% year on year increase, pushing the average premium up by £167 and taking the average premium price to £1,200 in 2023.

Home Insurance

- Annual premiums have increased by around 14% in 2022 and 2023, with the average now being £214 per year.
- Average building voluntary excess is now £151 – a 49% increase in two years, mostly happening in 2022. While the 50+ age group saw the biggest increase in premiums in 2022 - at around 17% - in 2023, the increase has been even across all age groups. Northern Ireland saw the biggest increase in premiums, up by 21% this year.

Broadband

- Average price for new customers on broadband has increased by 9%.
- Sales on TV packages have decreased by 34% in Q2 2023 v Q1 2023 as people look to save money.

Loans

- The average income of people looking to take out a loan is £47,000.
- Loan amounts have increased the most in 18 month term loans – a 12% rise to £4,200.



FAMILY VALUE

POSITIVE TRENDS EMERGING FROM COST OF LIVING CRISIS

Our research highlights the extent to which families have been affected by the rise in household bills and inflation. Hearteningly, it also reveals the resilience and adaptability that families are demonstrating as they navigate through financial uncertainty.

For parents who have either had to cut back or get a tighter grip on their finances:

75%

OF PARENTS HAVE PURSUED SIMPLER ACTIVITIES WITH THEIR CHILDREN (EG. GOING TO THE PARK INSTEAD OF VIDEO GAME ARCADES/SOFT-PLAY CENTRES OR HAVING A PICNIC INSTEAD OF GOING TO A RESTAURANT).

83%

SAY THIS PERIOD OF ECONOMIC HARDSHIP HAS LED THEIR CHILDREN TO HAVE A GREATER UNDERSTANDING OF THE VALUE OF MONEY AND HOW MUCH THINGS COST

62%

SAID IT HAS HELPED THEIR CHILDREN UNDERSTAND MORE ABOUT MANAGING THEIR MONEY

SUPER SAVERS

LIFESTYLE SHIFT SAVED US £7,000



If there’s anything that sums up how **the Moore family** have embraced the more simple pleasures in life to save money, you just need to look at their holiday choices.

“We used to go on holiday abroad to places like Santorini and Lake Garda, with each trip costing us around £800,” said mum Ami, who lives in Bristol with partner Sam and two-year-old son Arthur.

“But now we’ve fallen in love with the staycation. We had just as much fun on a recent camping trip in Weymouth in Dorset which cost about £50. And we’re going to Butlins this year instead of Venice.”

The couple – who are SuperSaveClub members – have also cut back on date nights and opt for picnics and bike rides over restaurants and car journeys.

“We used to spend up to £70 every Thursday on going out for date night,” she said. “With a toddler, coupled with rising living costs, this just isn’t feasible anymore. Instead we have date night at home, create healthy meals together and use leftovers for packed lunches the next day. That alone has saved us over £2,000 a year.”

As well as using MoneySuperMarket to regularly switch their bills, they’ve got creative with boosting their savings and health by swapping out driving for cycling wherever possible.

“Our new rule is simple: if it’s within a 5km radius we’ll walk, anywhere within a 10km radius we’ll cycle. With the price of fuel at the moment, it’s saving us about £10-20 a week and it’s so much healthier.”

As a member of SuperSaveClub the family have unlimited access to free days out at over 2,000 venues across the UK through MoneySuperMarket’s Free Days Out Pass.

HOW PARENTS CAN SPEAK TO THEIR CHILDREN ABOUT PERSONAL FINANCE

BY KARA GAMMELL, AWARD-WINNING CONSUMER JOURNALIST, FINANCE EXPERT AT MONEYSUPERMARKET AND MOTHER



For many children, the cost-of-living crisis has been an anxious time. Chances are that they have overheard you talking about how prices are going up, and they may even have noticed your budget cuts - and many of them may not understand why.

While it's an unsettling time, there are ways you can ease their anxiety - and increase your children's financial literacy.

Open discussions about money help prepare kids for future financial uncertainty.

Here's how you can help your kids deal with any anxiety caused by the cost-of-living crisis, and teach your little one about money at the same time:

- Start by addressing money openly – it shouldn't be taboo. Answer their questions and explain the cost-of-living crisis, relating it to things they value. For younger kids, their pocket money might buy less, for older kids, the price of a phone contract may have increased.
- Reassure your child that these difficulties are temporary and that you're seeking solutions. Use language like "we choose not to spend like that" instead of "we can't afford it" to ease their worries. Distinguish wants from needs; if they ask for something, explain "that costs X weeks of your pocket money". Correct any inaccurate information they have heard from friends or on social media.

- Use free resources like BBC Newsround or Beano workbooks to improve their financial literacy.
- Involve them, turn money-saving activities into games: switch off lights and turn off the tap when brushing teeth. On the weekly shop, let them tick items off the list, or challenge them to find some best value options.
- In this uncertainty, empower your child with early financial skills. Be open, educate and reassure them so you can navigate these challenging times together.

“
**ADDRESS MONEY OPENLY -
IT SHOULDN'T BE TABOO**
”



SOUND AS A POUND

HOW SAVING'S BECOME A BADGE OF HONOUR

Traditionally it's been the older generations who were the savviest at nosing out a bargain: more time on their hands to scour for deals, prepared to get up early, and meticulous about their household bills being in order.

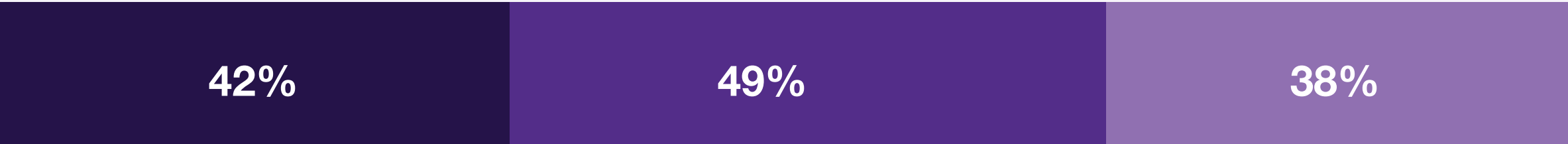
Today, our research shows the crown has been taken by Gen-Z and millennials.

The age group between 35 and 54 are most likely to have found ways to cut back on spending due to the rise in household bills, from reaping the benefits of energy-saving air fryers, to the return of the packed lunch, and saving cash by meeting friends for 'pre-drinks' at home.

Those aged 18-34 are over three times more likely to build a budget for all outgoings than their parents' generation.

Last 12 months v previous 12 months

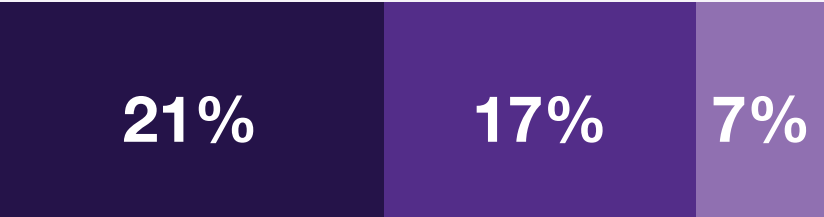
Check my bank account on a more regular basis



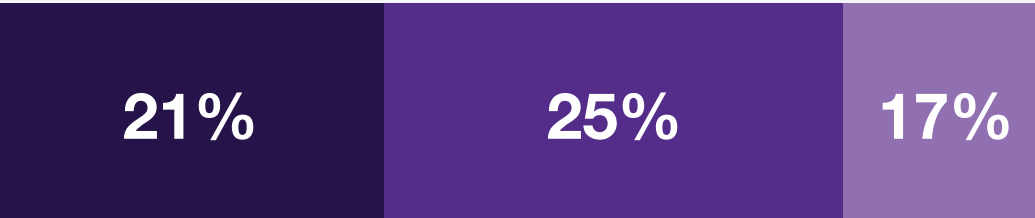
Cancel non-essential services such as TV or music streaming



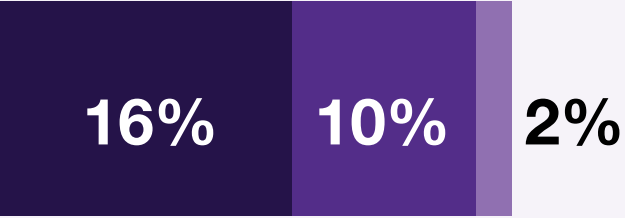
Build/change a budget for all outgoings and use it to make spending decisions



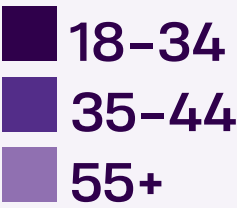
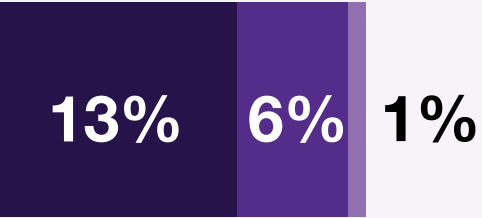
Used technology to help save money e.g. using price comparison websites to regularly switch service providers



Sought informal help with my finances (Social media, friends, online forums etc.)



Sought formal help with my finances (Citizens Advice, my bank, financial advisor etc.)



A SWITCH IN TIME

Bristol is the switching capital of the UK – 36% more switches than average took place in the South West city.

Those living in **Liverpool** are top of the tree when it comes to meeting up with friends at social events to swap tips on the best value deals and products. One in seven Liverpoolians did this due to the rising cost of living.

However, proving the difficulties of the past 12 months, half of people in the UK who have cut back on spending have done so because of the rise in household bills. And, 22% who've cut back have said it's in anticipation of future mortgage or rent increases.

While our data shows that people are making more purchases of non-essentials such as trainers and beauty treatments, many have cut back on holidays and days or nights out.

This is why MoneySuperMarket is giving people a helping hand through its SuperSaveClub perks including cash rewards when you switch and the Free Days Out Annual Pass.

Which of the following have you done in the last year?

26%

Switched to better deals on household bills

16%

Taken tips on how to save money from personal finance influencers/experts on social media

13%

Taken tips on how to save money from friends or family on social media

9%

Shared tips on how to save money on social media for my friends/followers

7%

Met up with friends at a social event to swap tips on how to save money (such as for coffee, barbecue, party)



CHANNEL YOUR MONEY SAVING SUPERPOWER

BY FAITH ARCHER AWARD-WINNING JOURNALIST AND FOUNDER OF MONEYSAVING BLOG, MUCHMOREWITHLESS.CO.UK



Have you ever thought about what you’re doing right, when it comes to your finances, rather than what you’re doing wrong?

Maybe you should. Adopting a positive money mindset can help us face up to money matters, making plans and setting goals, rather than sticking our heads in the sand to avoid potential issues. Personally, I reckon I’m a Super Saver, keen to stretch my cash as far as possible.

My superpower is laser-focused on freebies, whether earning extra rewards or saving money on things I’d do anyway. I’m a big fan of cashback. I’ll check where I can earn the highest cashback before shopping online, such as sites like Quidco, then check whether I’d be better off using voucher codes for money off or free delivery. Super saving can be

fun, I definitely get extra enjoyment drinking the Prosecco bought with supermarket loyalty points.

I’m also a Super Saver when it comes to making the most of the money I have. I love the ‘free money’ paid on pensions, where every £1 is topped up by 25p in basic-rate tax relief, and higher rate taxpayers can claim another 25p on their tax return. If you pay into a workplace pension, your boss will add extra money too. I may be out and proud as a Super Saver, but what’s your financial superpower?

Maybe you are a brilliant bargain hunter, snapping up the best sale buys. Perhaps you are the queen of side hustles, cashing in on clutter and selling anything that isn’t nailed down.

Sure, nobody’s perfect. I have a financial admin list as long as my arm, and I’m trying to ignore the dusty box of belongings earmarked for eBay.

But focusing on my superpowers, rather than my financial weaknesses, can inspire me to tackle the next task on that to-do list. Identifying your financial superpower can help build confidence. You can acknowledge your own achievements, rather than comparing yourself to other people.

Let’s all build on our financial superpowers and celebrate our successes.

SUPER SAVERS

NO SMALL FRY: YOUNG COUPLE SCRIMP, SAVE AND AIR FRY THEIR WAY TO HOME OWNERSHIP AT 26



MoneySuperMarket customers **Abigail Freeman** and **David Spicer**, both 26, have scrimped, switched, budgeted – and air-fried – their way to home ownership years ahead of their mates.

Abi is a TV producer and self-confessed planner; an organiser of everything who took over the household finances from her busy mum as a teenager.

“I’ve always managed most of our bills – to say I’m organised is an understatement,” she said.

New research by MoneySuperMarket reveals those aged 18-34 are three times as likely to build a budget for all outgoings than their parents’ generation (21% v 7%).”

But Abi and David’s monthly budgeting, which takes them just 20-30 minutes a month, brings financial planning to the next level. Unlike other people, the pair have never paid for lunch at work.

“We’re always looking for the best deals and checking when insurance policies are up for renewal. Cutting down on food waste also saves money.”

“My sister jokes that our fridge looks completely bare – but I tell her that’s what the fridge looks like of someone who never over buys and never throws food away.”

POUND PRESSURE

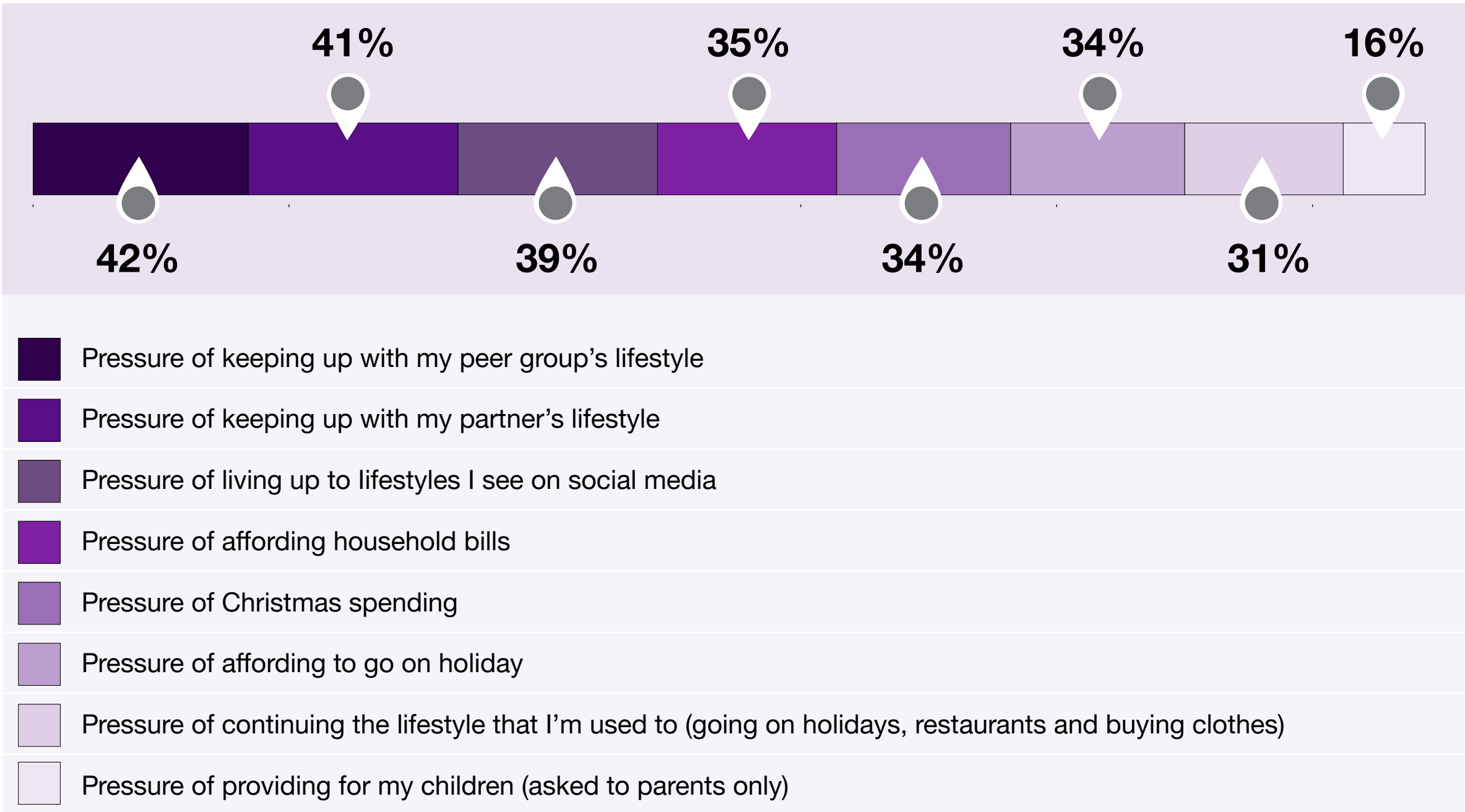
We asked people about their changing attitudes to money – and if they have experienced financial worries in the last 12 months, what the reasons were for this.

Out of the 44% of people in the UK who say they suffered a period like this, the top reason was down to the pressure of keeping up with their peer group’s lifestyle.

Young families have had to cope with the biggest pressure, according to our findings. One in four admitted they had at least four occasions of financial worry.

Meanwhile, nearly a third (32%) of consumers are sacrificing their commitments to the environment “as I cannot afford them”.

Which of the following has given you financial worries?



Technology is helping people to feel in control of their money

1 in 5 people

used technology – from price comparison websites to AI-powered saving tools – over the last 12 months to help with the rising cost of living.

Those who adopted tech solutions to help save money were

44%

more likely than the average person to check their bank account regularly in the last 12 months and 71% more likely to have built a personal budget to keep track of spending.

The age group most likely to be early adopters of new tech were

35 to 54 year olds

(25%).

Fintech is helping people to stay ahead of their bills –

9 out of 10 people

who used technology to save money have not missed a payment in 2023.

CAUTIOUS OPTIMISM

It's September 2023 and interest rates and inflation remain high. Wholesale energy prices are uncertain with households facing a winter of energy bills that are far higher than they were before 2022.

Our survey reveals a cautious optimism about the future alongside some early signs that inflation could be starting to come down.

16%

OF UK CONSUMERS BELIEVE
THEY WILL HAVE MORE
DISPOSABLE INCOME THIS TIME
NEXT YEAR

26%

OF 18-34 YEAR OLDS BELIEVE
THEY WILL HAVE MORE
DISPOSABLE INCOME



People aged
between 35
and 54 are the
group most
likely to think
they will have
less disposable
income
(38%)

People from
Edinburgh most
likely to think
disposable
income will rise
(21%)

People in
Plymouth most
likely to think
disposable
income will fall
(42%)

CRYSTAL BALL

WHAT DOES THE NEXT YEAR HOLD?

BY LIS BLAIR, CHIEF CUSTOMER OFFICER, MONEYSUPERMARKET GROUP



I think we'll see three major trends over the next year. First, I think we'll see people talking more about money and being more creative in the ways they save; second, we'll see more people engaging with emerging technology to save them money; finally – and this might be as much of a hope as a prediction, but the data is trending in the right direction – I think we'll see people striving to strike a balance between social, environmental and societal benefits and cost savings.

Talking about money

When it comes to talking about money, the data suggests that, while it's still a taboo for a lot of us, younger people in particular are starting to come together to talk about money, and to share tips and ideas on how to save. I think we'll see this start to increase across the generations, and I hope we'll see people being more aware of their daily budget, and more tuned into the savings we can make from shopping around, as providers are able to offer us competitive deals. I hope we'll start to see the taboo around talking about money start to erode as well.

I think we'll see an increase in the numbers of people who are more creative with their money, and enjoy finding new and different ways to save. I hope we're able to help by offering National Days Out so that everyone who joins SuperSaveClub has access to free days out and experiences across the UK.

Affordably green

Our report revealed that 32% of consumers are currently sacrificing their commitments to the environment because they feel they “can't afford them” at the moment. Next year, I really hope we won't see environment v cost savings as an either/or. I'd love to see an increase in the number of products that are good for the planet and for our pockets, and to be able to help consumers to choose options that

tick both boxes. When we ask people next year, I'd love to believe we won't see more people feeling they have to sacrifice one for the other. This feels like a real opportunity for companies to innovate to offer affordable, green products, and I'm looking forward to seeing what choices people make over the coming year.

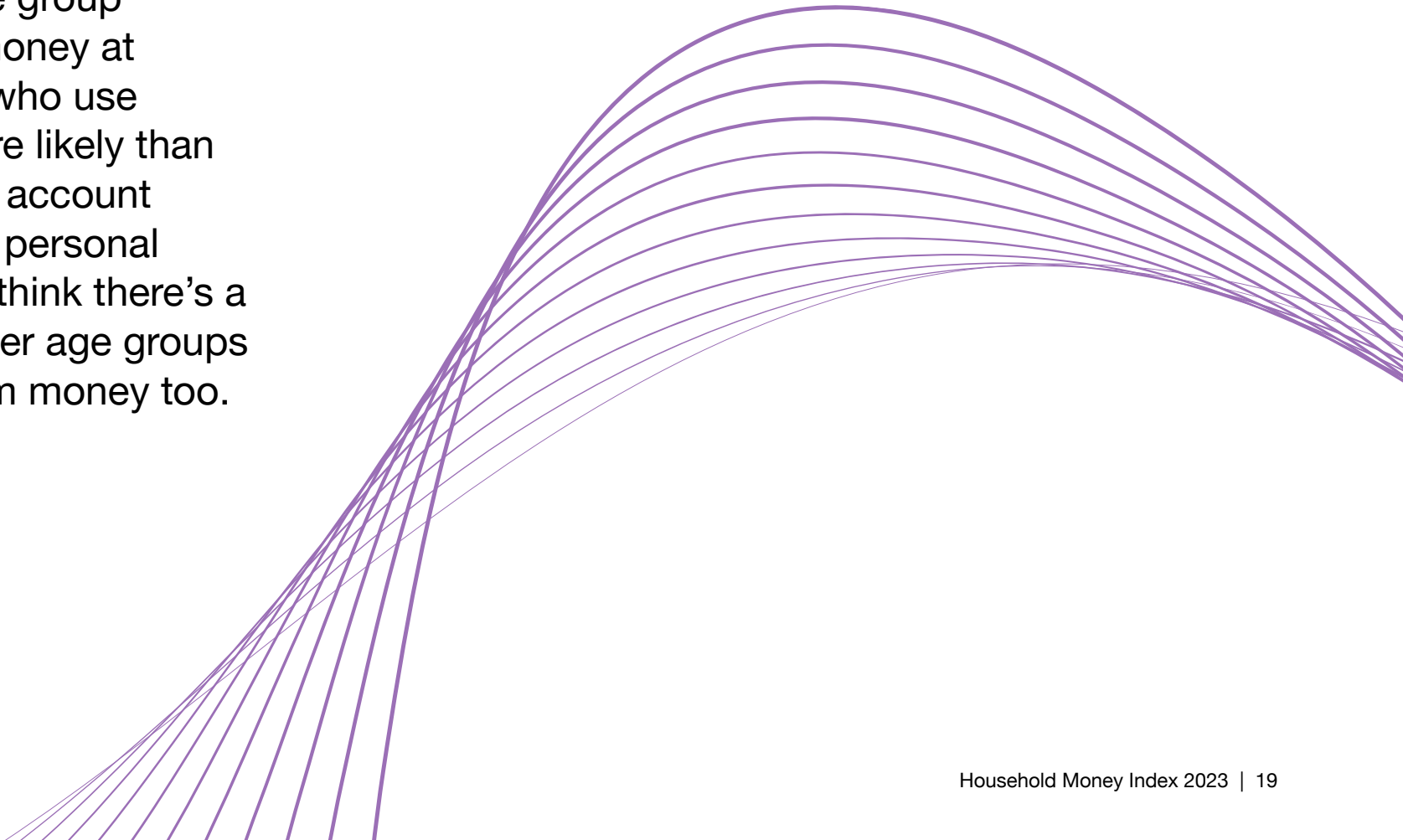
Technology to save

We've seen a lot change in the 30 years since we began, and one of the better changes has been how technology has made saving money much easier. At Moneysupermarket Group, we've worked hard behind the scenes on the tech that makes great deals even easier to find and secure, as well as on our customer-facing technology, most recently incorporating AI into the MoneySavingExpert app.

We know 35 to 54 year olds are the age group most likely to use technology to save money at the moment. We also know that those who use technology to help save money are more likely than the average person to check their bank account regularly and more likely to have built a personal budget to keep track of spending. So I think there's a good chance we'll see older and younger age groups start to put new tech to use saving them money too.

20%

OF PEOPLE HAVE USED TECHNOLOGY – FROM PRICE COMPARISON WEBSITES TO AI-POWERED SAVING TOOLS – OVER THE LAST 12 MONTHS TO HELP WITH THE RISING COST OF LIVING



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 15 August 2023 - 18 August 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 Household Money Index (“HMI”) was calculated from the replies of 2,000 adults self-reporting how much they spend per average month on 31 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 13th September 2023.



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