

# Coping with cost-of-living pressures

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Research among the UK general population. April 2024.

## Background

Since September 2022, StepChange has commissioned YouGov to conduct research to better understand how the increased cost of living is affecting the wider UK population.

From StepChange's own debt advice data, we understand the toll of the increased cost of living on those seeking debt advice. For example, in [our client data](#) we have found<sup>1</sup>:

- The proportion of clients saying the increased cost of living is their main reason for debt has increased from around 6% in 2019 up to 25% in 2023
- Essential expenditure items such as housing and energy bills have all steadily increased over the past two years
- The average amount of debt per client has increased from around £11,000 in 2021 to over £14,500 in 2023

While the client data provides an understanding of the households most in need of support with their debt situations, we are interested to explore if some of these trends are replicated for people more widely across the UK. Therefore, with a new survey published every four months, we've so far completed five waves of research to better understand how cost of living pressures are affecting UK adults.

The results from the latest wave of research in January 2024 show a decrease in the number of people in problem debt<sup>2</sup> compared to earlier in the year. However, the results continue to show a high proportion finding it difficult to keep up with bills and credit commitments. The latest results also highlight key differences between people of different demographic backgrounds. This includes differences in **housing, gender, age and family composition**, with some groups particularly affected by cost of living pressures.

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<sup>1</sup> StepChange Statistics Yearbook. March 2024. Available at: <https://www.stepchange.org/policy-and-research/2023-personal-debt-statistics.aspx>

<sup>2</sup> Signs of financial difficulty include making just the minimum repayments on debts; using overdraft in each of the last three months, using credit, loans or an overdraft to make it through to payday; falling behind on essential household bills (e.g. rent, mortgage, energy bills, council tax etc.); using credit to keep up with existing credit commitments; getting hit by late payment or default charges; missing a regular monthly payment on at least one debt; and using credit to pay essential household bills (e.g. rent, mortgage, energy bills, council tax etc). 'Problem debt' means selecting three or more of these options.

**Methodology**  
All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,096 adults. Fieldwork was undertaken between 13th – 15th January 2024. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+).

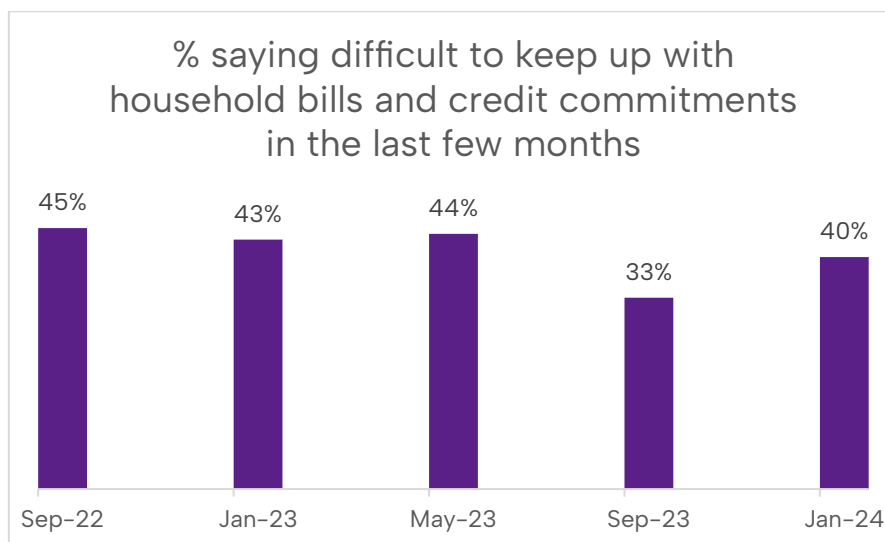
## Cost of living tracking questions

This research asks four main tracking questions which aims to understand:

- How easy or difficult people have found it to keep up with household bills and credit commitments
- The proportion of UK adults who are showing signs of financial difficulty, or problem debt
- Which negative coping mechanisms households have taken to keep up with credit repayments
- Which household bills have people fallen behind on

## Results

**Q1. How easy or difficult have you found it to keep up with household bills and credit commitments in the last few months?**



To give some context to the results, in polling commissioned by StepChange in 2020, just 15% of UK adults said they found it 'fairly difficult' or 'very difficult' keeping up with household bills and credit commitments before the pandemic.

Therefore, over the last few years this proportion has increased substantially to a worrying peak in September 2022 where 45% of UK adults reported that keeping up with bills and credit was difficult.

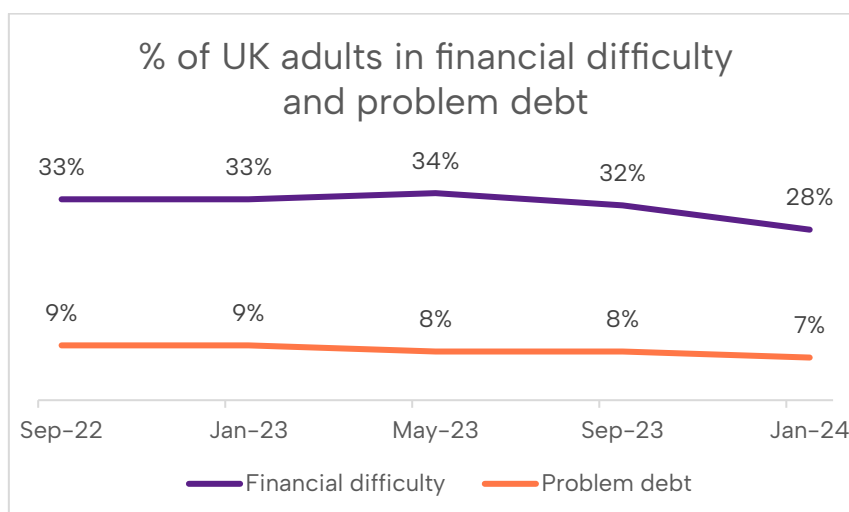
The proportion of UK adults finding this difficult stayed consistent over time between 2022 and early 2023, before falling to 33% in September 2023. However, in January 2024, the proportion of adults finding it difficult has increased by seven percentage points to 40%.

## Q2. In the past three months, have you experienced or carried out any of the following activities in regard to your household finances?

This second question enables a more precise measure of how many households are experiencing negative actions which objectively suggest financial difficulty or problem debt. The results show a slightly different trend to the first question.

We can see from the chart below that the proportion of UK adults showing some signs of financial difficulty has remained relatively consistent over time. However, in January 2024, 28% of all UK adults show at least one sign of financial difficulty<sup>3</sup>, which is a decrease of three percentage points.

In January 2024, 7% of UK adults are showing three or more signs of financial difficulty, which suggests they're in problem debt. This has remained consistent with previous results:



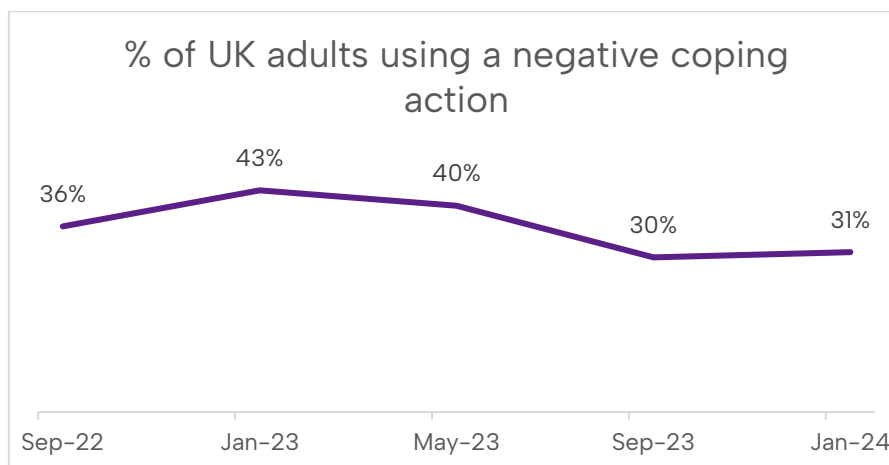
<sup>3</sup> Signs of financial difficulty include making just the minimum repayments on debts; using overdraft in each of the last three months, using credit, loans or an overdraft to make it through to payday; falling behind on essential household bills (e.g. rent, mortgage, energy bills, council tax etc.); using credit to keep up with existing credit commitments; getting hit by late payment or default charges; missing a regular monthly payment on at least one debt; and using credit to pay essential household bills (e.g. rent, mortgage, energy bills, council tax etc). 'Problem debt' means selecting three or more of these options.

The table below also provides a breakdown of results from the January 2024 polling split by demographic groups:

	Financial difficulty	Problem debt
All UK adults	28%	7%
<b>Gender</b>		
Women	32%	8%
Men	24%	7%
<b>Housing Tenure</b>		
Own – with a mortgage	35%	7%
Rent – from a private landlord	41%	13%
Rent – from my local authority	43%	25%
Rent – from a housing association	43%	22%
<b>Region</b>		
North East	24%	5%
North West	34%	14%
Yorkshire and the Humber	28%	8%
East Midlands	28%	3%
West Midlands	30%	8%
East of England	28%	8%
London	28%	5%
South East	24%	6%
South West	28%	7%
Wales	30%	8%
Scotland	29%	8%
Northern Ireland	37%	11%
<b>Age</b>		
18-24	27%	4%
25-49	37%	11%
50-64	32%	8%
65 and over	10%	2%

**Q3. In the last three months, have you done any of the following to keep up with credit repayments. Please tick all that apply.**

In January 2024, around one in three (31%) UK adults had used at least one coping strategy<sup>4</sup> to keep up with credit repayments. This has stayed consistent with results found in September 2023 (31%). However, compared to one year before, this is down by twelve percentage points (43% in January 2023).



In January 2024, the most common types of coping strategy adults took to keep up with credit repayments include:

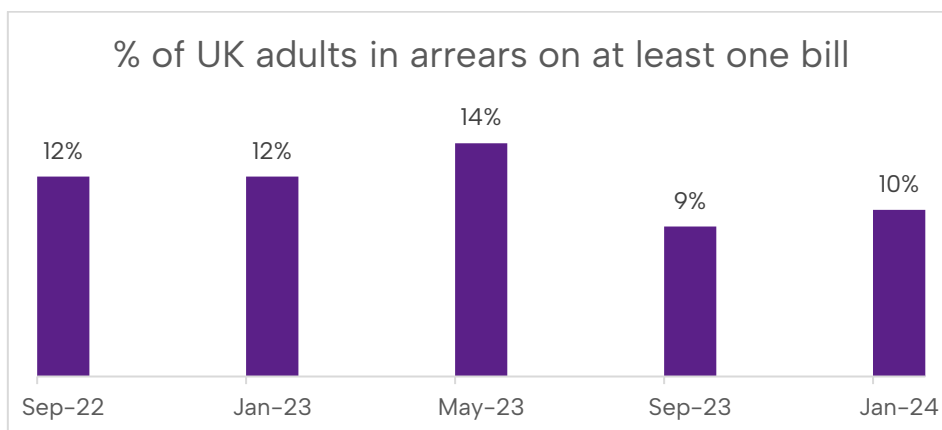
- Rationing the amount of heating, electricity or water (24%). This has increased by three percentage points compared to September 2023 (21%)
- Going without food or meals (11%)
- Asking for financial help from family or friends (9%)
- Going without appropriate clothing for winter (6%)

**Q4. Are you currently one month or more behind on paying any of the following bills? Please tick all that apply.**

Between May and September 2023, the proportion of adults behind on at least one essential household bill such as energy, water, council tax decreased by five percentage points from a peak 14% in May 2023.

More recently in January 2024, the proportion of UK adults behind on at least one bill had remained relatively similar to results in September 2023, rising by just one percentage point from 9% to 10% of UK adults in January 2024.

<sup>4</sup> A 'coping strategy' includes any of the following options selected in order to keep up with credit repayments: Rationed the amount of heating, electricity or water I have used; Went without a healthy diet (food and meals); Asked for financial help from family or friends; Missed utility bill payments (energy, water, telecoms or council tax); Went without appropriate clothing for the weather; Missed rent or mortgage payments; Endured other hardship or financial difficulty



In January 2024, UK adults were most likely to be behind on electricity bills (3%), gas (3%), water (3%) and council tax (3%):

	September 2023	January 2024
Electricity	3%	3%
Council tax	3%	3%
Water	2%	3%
Gas	2%	3%

## Housing

As with previous waves of research, we also asked UK adults a series of questions about their housing status and how this impacted their overall financial situation. The research focussed on the experience of private renters and those with mortgages, as well as support for improved protections for private renters.

### Private renters

The latest research from January 2024 highlights the precarious financial position that private renters often face compared to the wider population.

- For example, 13% of private renters are in ‘problem debt’ compared to 7% of the general population
- Over half (53%) of private renters say they’ve found it difficult to keep up with bills and credit commitments in the past few months, compared to 40% of the wider population

The results also highlight the impact of high rental costs on household finances. In January 2024, more than one quarter (27%) of private renters have rationed the

amount of heating, electricity or water to afford rent in the past 12 months. This has increased from 20% in May 2023.

Additionally in January 2024:

- One in five (20%) private renters used savings in order to afford their rent payments
- 15% of private renters forwent a healthy diet in order to afford their rent.
- 17% of private renters have fallen behind on other household bills in order to afford their rent

### Using credit to afford rent or mortgage

In January 2024, 27% of renters and mortgage holders said they had used credit to afford their rent or mortgage payments in the last 12 months. This remains unchanged compared to September 2023. This includes:

	% using credit to afford rent or mortgage
All rent/ mortgage	27%
Own – with a mortgage	23%
Rent – from a private landlord	28%
Rent – from a housing association	30%

### Mortgages

Rising interest rates alongside other cost of living increases have also affected the finances of mortgage holders.

The latest results from January 2024 find:

- 44% of mortgage holders are finding it difficult to keep up with bills and credit commitments
- More than one third (35%) of mortgage holders are showing at least one sign of financial difficulty
- 7% of mortgage holders are in problem debt (this is in line with UK average)
- One in five (21%) of mortgage holders have rationed heating, electricity, or water below the amount they need in the last 12 months in order to ensure they can make mortgage payments
- One in five (21%) have used savings in the last 12 months to ensure they can make mortgage payments

## Savings and looking ahead to the future

This survey also includes two questions relating to savings and looking ahead to the future.

### **Q. Thinking over the next five years, do you think your personal financial situation will get worse or better, or will it stay much the same?**

In January 2024, 40% of UK adults think their situation is either already bad and will stay bad (10%), or that their situation will get worse (30%). The results include:

- Single parents are the most concerned about their financial situation in the next five years, with 53% saying it's already bad (13%), or will get worse (40%)
- Those aged 50-64 (46%) and 65 (47%) and over are also more likely to have a negative outlook on their finances
- Those aged 18-24 are the most likely to have a positive outlook in the next five years, with around half (48%) thinking their financial situation will get better in the next five years. This is compared to 27% of UK adults

### **Q. Imagine you had an unexpected essential cost of £1,000. How much of it would you be able to pay within one month, without borrowing?**

Only around half (53%) of UK adults would be able to pay an unexpected cost of £1,000 within one month without borrowing.

Men (58%) are more likely than women (48%) to say they could afford to pay the full £1,000. And the results suggest that the older age groups are more likely than younger age groups to be able to afford all of it.

For example, 31% of 18-24 year olds say they could afford all of it compared to around three quarters (74%) of those aged 65 and over.

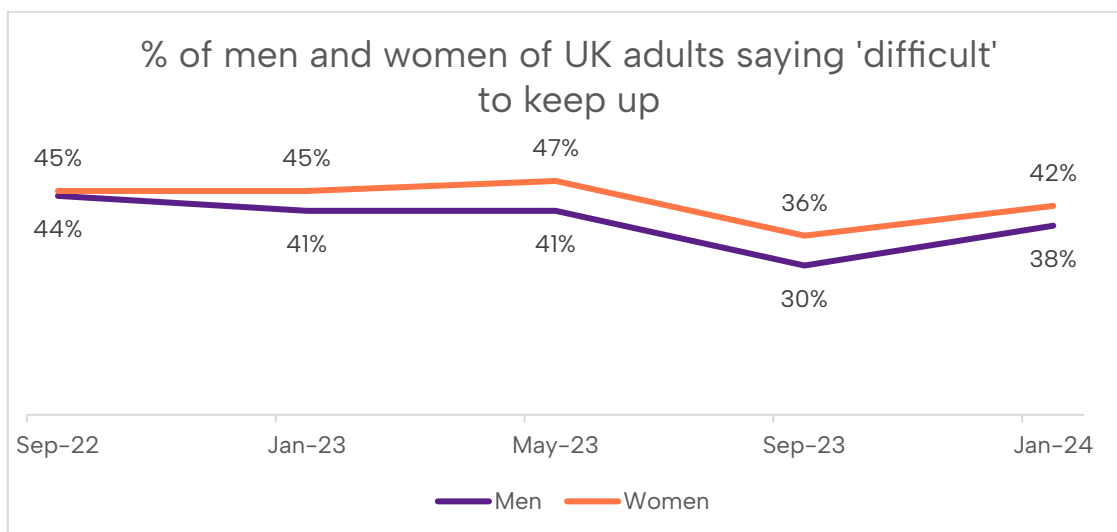
## Gender

The results from this research draw similarities with StepChange's findings in the recent *Bearing the Burden* report on the experience of women seeking help with problem debt from StepChange.

The latest results for January 2024 showed that women are more likely than men to say it's been difficult keeping up with bills and credit commitments. 42% of women have said it's been difficult in the last few months, which is four percentage points higher than men saying the same (38%).

The proportion of both women and men saying this is difficult has increased over time. For example, in September 2023, 36% of women and 30% of men said it was difficult to keep up.





Women are significantly more likely to report using a coping strategy to keep up with credit payments. 36% of women said they have taken at least one action in the last three months to keep up with credit payments, compared to 27% of men.

The results from January 2024 also highlights some of the ways that women and men cope with challenging financial situations, both with essential and non-essential spending.

For example:

- There is a 10 percentage point gap between the proportion of women (53%) and men (43%) who have cut back on non-essential spending such as dining out or entertainment in the past 12 months
- There is also a gender divide in the proportion of UK adults who have cut back on essential spending in the last 12 months, with 34% of women saying this compared to just 23% of men

In terms of those in work, women are also more likely to say they have taken additional steps to increase their income in the past 12 months, for example:

- One in five (19%) women have taken on additional hours in their work such as overtime or covering shifts. This is compared to 15% of men
- Additionally, 13% of working women say they've picked up alternative sources of work in the last year, this is compared to 9% of men

## Age

Adults aged 25–49 are the most likely age group to say they've experienced financial difficulty over the last year. This is a finding consistent with other research, for example the Office for National Statistics found other groups adults aged 25 to 34 years are 3.4 times more likely to experience financial vulnerability than those aged 75 years and over due to increases in the cost of living<sup>5</sup>.

The latest StepChange polling in January 2024 finds:

- 37% of those aged 25–49 are experiencing at least one sign of financial difficulty
- This is compared to 27% of those aged 18–24, 32% of 50–64 year olds, and just 10% of those aged 65 and over

	Showing signs of financial difficulty	Showing signs of problem debt
18–24	27%	4%
25–49	37%	11%
50–64	32%	8%
65 and over	10%	2%

Additionally, the polling finds around half (47%) of those aged 25–49 say they've found dealing with bills and credit commitments difficult. This has increased from 41% in September 2023.

Although this is higher than the proportion among those aged 65 and over, results suggest older age groups are also facing financial stress. Between September 2023 and January 2024, the proportion of those aged 65 and over finding it difficult to keep up with bills has increased. For example, in September 2023, just one in five (19%) of over 65s said it was difficult, however by January 2024 this had increased to 28%.

In questions around credit use, the age statistics also show interesting trends. For example,

- Only one quarter (24%) of 18–24 year olds have an outstanding balance on a form of unsecured credit
- Comparatively, half (50%) of 25–49 year-olds, 48% of 50–64 year-olds and one third (32%) of those aged 65 and over have an outstanding balance on a form of unsecured credit
- Just 4% of 18–24 year-olds had an outstanding balance on a Buy Now Pay Later product. This compares to 6% of all UK adults, and 9% of those aged 25–49

<sup>5</sup> Office for National Statistics. July 2023. *Impact of increased cost of living on adults across Great Britain: February to May 2023.*

## Single parents

Over half of single parents (51%) said they'd found it difficult to keep up with bills and credit commitments in the last few months. This compares to 40% of all UK adults.

34% of single parents have showed at least one sign of financial difficulty. This is six percentage points higher than for all UK adults.

Single parents are also much more likely to have taken a negative coping action, with almost half (47%) saying this. This is sixteen percentage points higher than all UK adults (31%).

- Almost one in four (38%) of single parents have rationed the amount of heating, electricity or water they've used in order to keep up with credit repayments (compared to 24% of UK adults)
- 22% of single parents went without healthy meals (11% of UK adults)
- Among single parents who either rent or own a mortgage, 38% said they had used credit to afford rent or mortgage. This is 11 percentage points higher than all UK adults (27%)

## Next steps

We will continue to conduct this regular polling to explore the financial situations of UK households. StepChange also regularly publishes debt and demographic data about those who seek debt advice from the charity, which is [available here](#). If you would like to discuss StepChange data in further detail, please contact our Policy, Research and Public Affairs team at [policy@stepchange.org](mailto:policy@stepchange.org).

## Appendix

The polling conducted in January 2024 includes the following unweighted base sizes:

	Number of adults
All UK adults	2,096
<b>Gender</b>	
Women	1188
Men	908
<b>Housing Tenure</b>	
Own – with a mortgage	542
Rent – from a private landlord	276
Rent – from my local authority	81
Rent – from a housing association	111
<b>Region</b>	
North East	94
North West	213

Yorkshire and the Humber	194
East Midlands	164
West Midlands	171
East of England	193
London	210
South East	302
South West	220
Wales	111
Scotland	174
Northern Ireland	50
<b>Age</b>	
18-24	155
25-49	827
50-64	536
65 and over	578
<b>Family composition</b>	
Single parents	303