

How Britain Spends

A report by TopCashback

*A deep dive into how we're
spending our money*



How Britain Spends

The first in a new research series by TopCashback

In this brand-new report, we delve into how exactly we spend our money – from what we buy, to how often we buy and how much we buy. We’ve tapped into real-time purchasing trends, provided insight into how we feel about our spending habits, and sourced expert analysis to paint an up-to-date picture of expenditure across the country.

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As we gear up for a new academic year, our report also shines a spotlight into what parents are spending on their children, as well as trends in family finances and how families talk about money.

Welcome

To say that the last few years have been unpredictable would be an understatement.

We've seen the unprecedented disruption caused by a global pandemic and cost-of-living crisis, with interest rates and inflation hitting record highs and energy bills climbing considerably. All these factors and more have combined to ensure our personal finances have been well and truly tested.

For many, this meant slashing spending on luxuries, while for others it's been a struggle to cover day-to-day essential spending. Whatever the situation, it's clear that everyone has been affected in one way or another.

As we head towards the end of 2023, experts are telling us that the doom and gloom is soon-to-be behind us, and our economy is 'bouncing back'. But what does this all mean for how the average adult spends money?

At TopCashback, we pride ourselves in helping millions of people save hundreds of pounds when they spend money each year. We work with over 6,000 brands to offer people savings and money back on everything they buy, from the weekly food shop to household bills, insurance, holidays and clothes. We wanted to find out more about how

we're spending money, how this has changed and how this will evolve over time.

This report, which is the first of many that will examine these trends, shines a light on all things spending. We've covered everything from what we spend money on, where we spend, when we spend, how much we spend, how this changes, why it changes, when it changes and how we feel about what we spend.

In our inaugural report we've also focused on family finances. Why? Autumn is one of the most expensive times of the year for families. After six weeks keeping children entertained during the summer holidays comes the cost of the new school year.

Our report examines how parents manage these challenges, while also organising their overall family finances and how they broach what can be a difficult subject with their children.



Adam Bullock
UK Director, TopCashback



Sue Hayward, personal finance expert, has worked with TopCashback to analyse the findings and what this tells us about our finances:

"We're all under pressure to make our money go further which is why so many of us budget, plan, and discuss how to spend it. From paying essential bills each month to planning our holidays and days out, How Britain Spends dissects this, revealing our financial priorities, what we're spending our money on, and how in control of our spending we really are."

A snapshot into how we spend

We asked thousands of people to tell us about their spending. From what they spend their money on, to when they spend it and what they're spending more or less on.

Our report packs all of our research into short summaries and we've spoken to our charity partner, The Money Charity and personal finance expert, Sue Hayward to help us analyse the findings. Here we've provided a snapshot into How Britain Spends.

Biggest increase in spending in the last three months

1. Essential groceries – up by 41%
2. Essential toiletries – up by 24%
3. Petrol – up by 23%
4. Pet care and pet food – up by 19%
5. Essential clothing – up by 16%



Biggest essential expenses in the last three months (based on spend per adult)

1. Essential groceries - £234
2. Petrol - £144
3. Insurance - £142
4. School uniform - £120
5. Mobile phone - £112

Biggest increases in seasonal and luxury spending in the last three months

1. Treat groceries - up by 21%
2. Takeaways - up by 18%
3. Dinner out - up by 17%



We asked people to tell us when they expect the cost-of-living to ease. The majority told us not until **January 2024** onwards.



How spending priorities have changed across different generations

- Adults in their 40s spend the most on mortgages
- 18 and 19-year-olds splurge the most on takeaways and meals out
- Childcare is the biggest strain on salaries for those in their 20s and 30s



On average, each year **people spend beyond their means** for **2.5 months**.

On average, adults have **£323 left** in their current account **the day before payday**, yet **17%** have **£0 or less** e.g. in an overdraft.

Overall **41% feel anxious** about **the cost-of-living** on a weekly basis.

Parents spent on average **£30 on school lunchboxes or dinners** a week, that's **£1,560** a year.

The **majority of parents** with children over the age of 18 **haven't spoken to them about the cost-of-living** (55%).

Overall, **31%** of parents **don't talk to their kids about money at all**.

Parents spend beyond their means on average a **quarter of the year**.

In Q2 the brands that TopCashback customers spent the most money with were focused largely on travel and homeware / DIY:



When it comes to using cashback for supermarket shopping, TopCashback customers increased their spending on Morrisons and Asda in Q2



Essential spending

Shining a spotlight on the essentials we're spending our money on

Here, we explore exactly what essentials we've been buying over the last three months, how much we're spending and whether we're forking out more or less than we were three months ago.

Biggest increase in spending in the last three months

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1. Essential groceries - £234
2. Petrol - £144
3. Insurance - £142
4. School uniform - £120
5. Mobile phone - £112

Spending over the last three months



Pet food and care

£97 was spent on average by adults

50% purchased at least once a month



Essential groceries

£234 was spent on average by adults

24% spent over £400!

74% purchased at least once a week



Petrol

£144 was spent on average by adults

64% purchased at least once a month



Essential toiletries

£60 was spent on average by adults

81% purchased at least once a month



Essential clothing

£93 was spent on average by adult

66% have spent money on this in the last three months

When it comes to transport, we've spent an average of **£89** over the last three months on train tickets and another **£87** on public transport. Interestingly, the amount spent on public transport increases to **£101** for those living in Inverness, **£98** for those in Liverpool, and **£97** in Norwich.



Regional spending trends

Top five biggest spend increases

Glasgow

- Essential groceries up 26%
- Petrol up 24%
- Public transport up 16%
- Birthday cards up 14%
- Dinner out up 14%

Edinburgh

- Essential groceries up 48%
- Petrol up 32%
- Essential toiletries up 25%
- Treat groceries up 20%
- Takeaways up 19%

Belfast

- Essential groceries up 43%
- Takeaways up 24%
- Petrol up 26%
- Essential toiletries up 26%
- Treat groceries up 23%

Manchester

- Essential groceries up 42%
- Essential toiletries up 24%
- Treat groceries up 21%
- Petrol up 19%
- Pet food and care up 18%

Cardiff

- Essential groceries up 48%
- Treat groceries up 26%
- Essential toiletries up 20%
- Pet food up 20%
- Birthday presents up 19%

Birmingham

- Essential groceries up 44%
- Essential toiletries up 28%
- Treat groceries up 25%
- Petrol up 23%
- Essential clothing up 23%

Bristol

- Essential groceries up 37%
- Petrol up 23%
- Treat groceries up 19%
- Birthday cards up 18%
- Essential toiletries up 18%

London

- Essential groceries up 53%
- Essential toiletries up 31%
- Treat groceries up 28%
- Petrol up 26%
- Takeaways up 24%

“The ongoing cost-of-living crisis has continued to test both the financial wellbeing and resilience of households across the UK. In the climate of rising costs, households have looked to strike the balance between being fiscally responsible and focusing on the essentials, while still being able to spend money on seasonal treats and save for unexpected costs. What’s clear from this latest research is that the large rise in spending on essentials, whether that’s food, transport, or clothing is likely to have impacted the ability to focus on much beyond the necessities. That’s why it’s so important that our work continues to engage people of all ages across the UK with their personal finances and managing their money.”

- Michelle Highman, Chief Executive of The Money Charity

Seasonal spending & luxuries

Showcasing the seasonal necessities and treats that we spend on and how we expect this to change

Beyond the essentials, we have seasonal spends to take into consideration, and we wanted to explore how these change over time.

Biggest increases in seasonal and luxury spending in the last three months

1. Treat groceries – up by 21%
2. Takeaways – up by 18%
3. Dinner out – up by 17%
4. Entertaining groceries – up by 15%
5. Birthday presents and gifts – up by 15%

Also, on the up was spend on skincare (up by 14%), birthday cards (13%) and make-up (11%)



Treat groceries

£71 was spent on average by adults

54% spent £50 or less

38% purchased at least once a week



Takeaways

£84 was spent on average by adults

55% purchased at least once a month



Dinner out

£118 was spent on average by adults

45% purchased at least once a month



Birthday presents

£94 was spent on average by adults

35% purchased at least once a month



Entertaining groceries

£82 was spent on average by adults

44% purchased at least once a month

The largest seasonal and luxury spends in the last three months were

1. Flights - £215
2. Hotels & self-catering accommodation - £176 (both)
3. Large household appliances - £158
4. Rental cars - £134
5. Spa breaks - £122



Over the last three months, **23%** of people have spent money on either stag or hen dos, and forked out **£117** on average.

When it comes to treating our loved ones, we've spent:



£94 on birthday gifts



£45 on birthday cards

48% spent between **£51 and £200** on birthdays and 8% spent **more than £200**



We've also treated our pets, with 24% buying toys for our furry pals at least once a month and spending an average of **£77**

A further **£98** was spent on children's toys



48% have donated to charity in the last three months – **adding up to £87** on average



An average of **£117** was spent on festival tickets over the last three months

When it comes to keeping up with trending items, over the last three months:



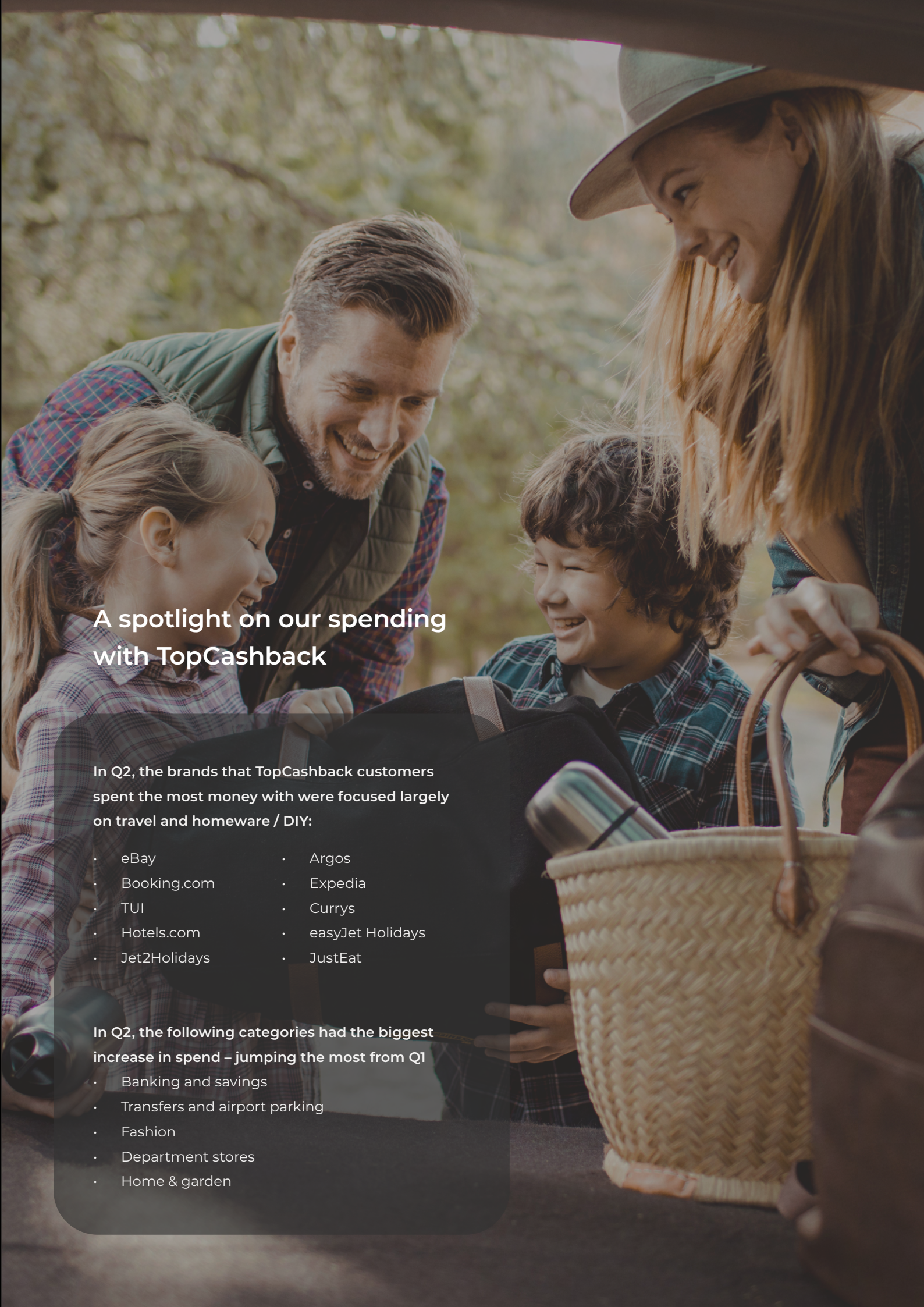
Sue Hayward gives her tips on how to be savvy with your seasonal spending throughout the year:

Challenge yourself to get it cheaper: Shop around at the start of each season to try and save money stocking up on items you want to buy in the months ahead like birthday presents, instead of making costly impulse buys. Check online money saving sites to find out about the latest discounts, cashback, vouchers and offers available.

Sign up to emails from your favourite restaurants: Many offer discounts on your first meal or purchase along with seasonal offers with newsletters, vouchers and discounts. If you don't want these emails clogging up your inbox, you can always set up a separate email account or unsubscribe once you've made the most of the deal or offer.

Slash your bills: Loyalty rarely pays and switching your mobile, broadband and insurance to get better deals can all help save money towards any increase in your seasonal spending. Get into the habit of shopping around and use price comparison sites and other online services to help find better deals.





A spotlight on our spending with TopCashback

In Q2, the brands that TopCashback customers spent the most money with were focused largely on travel and homeware / DIY:

- eBay
- Booking.com
- TUI
- Hotels.com
- Jet2Holidays
- Argos
- Expedia
- Currys
- easyJet Holidays
- JustEat

In Q2, the following categories had the biggest increase in spend – jumping the most from Q1

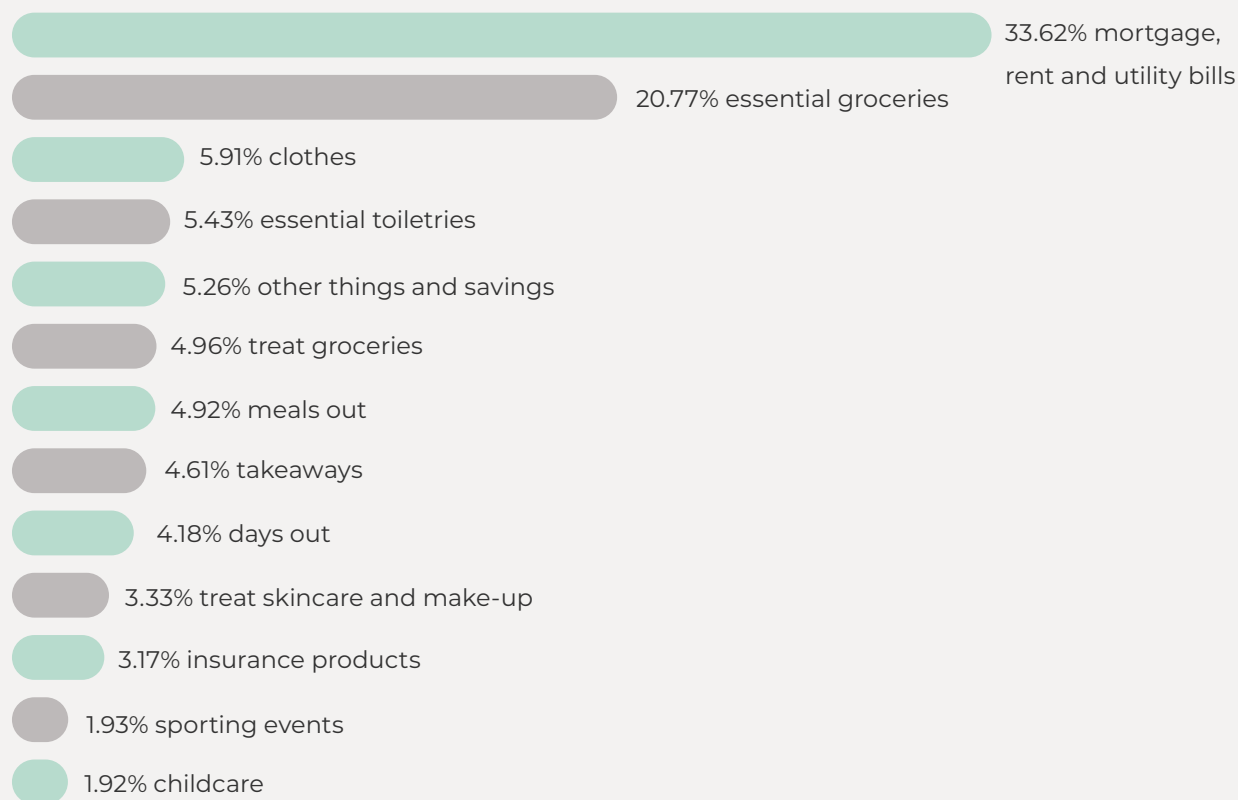
- Banking and savings
- Transfers and airport parking
- Fashion
- Department stores
- Home & garden

How we spend our salaries

A closer look into how we prioritise our spending and how we expect this to change over time

We wanted to shine a light on exactly how we're spending our salaries. With mortgage and rent costs rising rapidly in 2023 - after inflation drove up our groceries and much, much more - and the cost of childcare and days out rocketing, we've investigated just how we spend our hard-earned money.

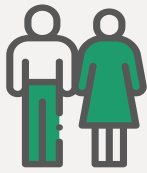
Spending our salaries – a look at how the average adult divides the cost-of-living



Adam Bullock, UK Director at TopCashback said: "The amount spent on running our households is eye-wateringly high, and it's set to increase further based on what our panel told us. And that's not the end of it, they also said they expect expenses on childcare in particular to increase over the next three months.

"Sadly, as a nation who loves food and socialising, the research indicates that spending on restaurants, takeaways and days out has been put on the back burner as a result of changing priorities. It's also a shame to see that many are unable to set much aside for savings too".

How spending priorities have changed across different generations



Adults in their 18-19s

splurge the most on takeaways and meals out

Adults in their 20s

spend 18% of their salary on essential groceries in total

Adults in their 40s

spend the most on mortgages

Adults in their 50s

spend 26% of their salary on essential groceries in total

Childcare is the biggest strain on salaries for those in their **20s** and **30s**

How our salaries impact our spending habits and attitudes

Higher earners stretch beyond their means more often than those on lower income

Adults earning £35,000 a year or less typically spend beyond their means 2 months of the year - the same as the average. Whereas those earning over £100,000 a year stretch beyond their means for 4 months of the year.

When it comes to control, the more you earn, the greater chance you'll feel in control of your outgoings, yet of those earning £75,001 to £100,000 only 27% felt their spending was completely under control - the exact same as the national average.

52% of those earning between £35,001 and £55,000 say their spending has increased vs 40% of those earning over £100,000.

Only 27% of those with higher salaries feel their spending is completely under control

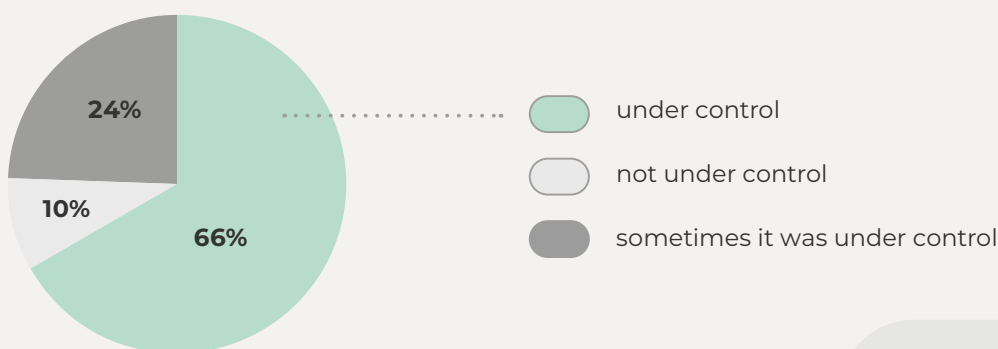
Adam added: "If the average salary for full time employees is £33,000, we can estimate that just over £11,000 is spent on rent or mortgage and bills alone. It's no surprise that millions of people have so little left for saving. When delving into our research, we also found that the more you earn, often the more you spend, not necessarily the more you save. Our data showed those with salaries in excess of £100,000 were still spending above their means - if anything, more than the average person!"

How we feel about how we spend

How do we feel about our money as we navigate the cost-of-living crisis?

We asked adults to tell us how they feel about the cost-of-living crisis, how it's impacting their spending and when they believe it will begin to ease for their household.

How many adults feel their spending is under control



For those that felt in control, the top reasons for this were:

1. Keeping track of spending throughout the month
2. Doing research before making purchases
3. Sticking to a budget

But for those that didn't always, or ever, feel in control. The top reasons for this were:

1. The rising cost-of-living,
2. Feeling cash-strapped overall
3. Struggling to stick to a budget – a further 25% also said making impulse purchases led to feeling out of

How Brits feel about the cost-of-living on a weekly basis:

41%
feel anxious

25%
feel overwhelmed

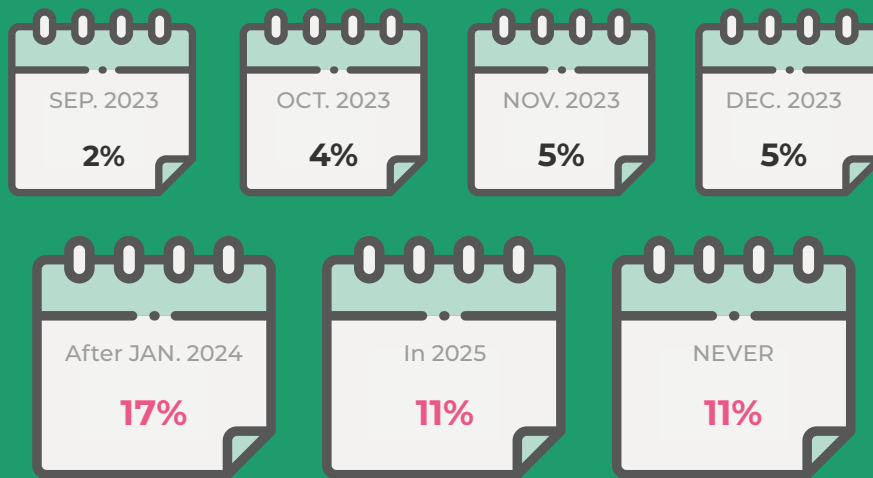
17%
feel scared

On average, each year **people spend beyond their means for 2.5 months** – with **10%** of people spending beyond their means for **more than half the year** (7 months)

On average, **adults have £323 left** in their current account the day **before payday**, yet **17%** have **£0 or less** e.g. in an overdraft

Those **under 25** have **the least** the **day before payday, £148.**

We asked people to tell us when they expect the cost-of-living to ease. The majority told us not until January 2024 onwards.



Michelle Highman, Chief Executive of The Money Charity, explains how to manage spending money on items you haven't planned for or might not need.



Sue Hayward, Personal finance expert, gives her advice on how to try and save some extra money each month to feel more in control:

Be consistent: Keeping track of your daily spending by creating a budget, and reviewing it regularly against what you buy. This can help uncover your behaviours which will affect your spending habits. You might notice there are certain times of days or days of the week when you're more likely to spend on items you don't necessarily need.

Use the 48-hour rule: Give yourself 48 hours to think about a specific purchase and its impact on your budget. During the 48-hour period, ask yourself if you really need the item, if it's really worth it to you and whether you're getting the most cost-effective option.

Plan for all occasions: Organising your spending into different categories can make you feel more in control. Make sure you budget for expenses that only happen a few times a year, such as gifts, car insurance or trips to the dentist, as well as fixed and variable expenses, from rent and council tax, to utilities, groceries and travel.

Clean up your bank statement: Double check if you're paying out on old direct debits or subscriptions you no longer need or use – whether that's a TV package, warranty for a gadget you no longer have, or a gym membership you don't make the most of. Always check you're out of contract along with any notice needed before cancelling payments.

Check your contracts: It's easy to forget when contracts end, like your TV, broadband or mobile package which means you could miss out on better deals by not shopping around. It's worth contacting providers to try and haggle your way to a cheaper deal or shop around using comparison sites.

Extra support and advice: There are lots of organisations that provide free help and advice if you're struggling with your finances, like Citizens Advice, National Debtline and StepChange, including practical steps to make positive small changes to ease the financial pressure.

How we've saved money on our spending

How we've adapted our spending habits over the last 12 months

We want to lift the lid on how adults have used savvy methods to save money during the cost-of-living crisis.



26% haven't used anything to save money on purchases in the last three months

*This increases to 50% for women and 55% for over 55s

**This increases to 29% for people in their 30s. 30% in Edinburgh and 33% in Norwich

Adam Bullock, UK Director at TopCashback explains how making small, savvy changes to our shopping habits, like using cashback sites, can make a huge difference not only to our pockets but how we feel about spending:

"Shopping savvily helps you save money and feel good. Luckily it's simple to do. For almost all online purchases there are savings to be had. Cashback, vouchers, discount codes – they are all there to help you. It's about creating a new habit when you spend so it becomes instinct."

Spotlight on how we've saved with TopCashback

Over the last year, thousands of adults have used cashback to make savings on their spending with TopCashback. **eBay, Argos, Boots, Currys** and **Booking.com** were the top 5 most searched for brands on TopCashback from July 2022 to July 2023.

In Q2, searches for cashback deals across travel, fitness and homeware brands increased. This included spikes in searches for the likes of **British Airways, Wickes, B&Q, Nike, Sports Direct** and **The Range**.

The most popular categories for cashback savings over the last year



Package holidays



Fashion



Accommodation



Health and beauty



Home and garden



Electricals inc. laptops and PCs



Simon Lavender is a 41-year-old from Reading who works in data analysis. Since joining TopCashback in 2007, he's saved more than £4,000 on his everyday purchases and household bills, including clothes, holidays and utilities. The most cashback Simon earned in one go was £200 for taking out an ISA with Shepherds Friendly via TopCashback.

"I always withdraw the savings as cash and use it for a range of things, but most of my earnings so far have been used to help pay back my mortgage and put towards my YouTube channel. Using TopCashback is a no brainer for me, especially in the current financial climate where every little bit counts. I always say that the best way to save is to plan ahead - much like a strategic board game - this helps with budgeting and to also make sure you get the best deals."



Julie Vare is a 52-year-old from County Durham. She joined TopCashback in 2009 after being skeptical at first as it sounded too good to be true, but, fast forward 14 years and Julie has earned more than £6,000 in cashback. Julie's biggest earnings have come from booking holidays and sorting her insurance through the site. In the past she's made £27 on a £300 room booking, £24 on £286 car hire and £42 on a £280 car insurance policy.

"Using TopCashback is a gamechanger, there's nothing more satisfying than using the savings to go on a free trip abroad! My advice is to always shop around before making a purchase, big or small, to make sure you're getting the best price before committing. I also try to avoid falling for the 'offers' in the supermarket as they're not always the best deal."

Family spending

Here we lift the lid on the ins and outs of how families spend their money

As we head into an expensive time of year for parents, and hot off the heels of the school holidays, we wanted to shine a light on what families spend on their day-to-day living, whether they've increased or decreased their spending on treats and activities, and what they do and don't talk about when it comes to money. We also explored how parents feel about the cost-of-living crisis and how confident they feel about the future.

Feeding the family - an average of £6,224 per year spent by parents

A further £57 was spent on weekly dinners at home, totalling £2,964 every year



Parents spent on average £30 on school lunchboxes or dinners a week, that's £1,560 a year

On top of this, parents spent £33 a week on food out of the house, more than £1,700 a year

Parents spent £30 on treats a week, which equals £1,560 over a year



Entertaining everyone

An extra £30 a week was spent on extra-curricular activities



Parents also spent £28 every week on parties, presents and cinema trips, that's almost £1,500 a year

Parents dished out on average £26 a week on pocket money



Back to school

Parents spent on average **£118** on school uniform

25% said their spend on this increased in the last three months



Parents also spent on average **£90** on school equipment

22% said their spend on this increased in the last three months



The cost of kids' clothes in the last three months

£37 a week was spent on clothing, that's almost £2,000 a year!

This jumps to £52 for those with children over the age of 18 (over £2,700 a year)

And it's not just the little ones, **£49** a week was spent on mobile phone bills by adults with kids over the age of 18 – that's a whopping **£2,548** a year



David is a 46-year-old director living in Scotland. He joined TopCashback in 2019 and has saved more than £1,700 since becoming a member. David does most of his grocery shopping through the site, earning at least £3 on each shop. Most recently, he used £80 of his cashback earnings to buy back-to-school items for his child.

“It's no secret that having a family is expensive – whether that's keeping them fed or entertained. Using money-saving sites, like TopCashback makes such a difference. I even use it to do my weekly shop and the savings just rack up over time, which we put towards other unexpected small purchases for the family.”

The majority of parents with children over the age of 18 haven't spoken to them about the cost-of-living (55%)

Overall, 31% of parents don't talk to their kids about money at all

When talking to kids about money - the most popular conversations parents have are: (1) The cost of things (2) saving for the future (3) bills

17% of parents have spoken to their kids about inflation, 15% have spoken to them about debt and 23% budgeting



Talking money with kids

Financial Education has been on the secondary school National Curriculum since 2014, but according to The Money and Pensions Service only 48% of Young People say that they have received financial education at home or at school. Talking to kids about money can be tough. Here Stephanie Fitzgerald, Head of Young People Programmes from The Money Charity, shares some tips on how to tackle the topic:

1.

Little & often - the more you talk about money the better, and it's a good idea to start simple and weave in the topic naturally. When you're shopping for groceries, point out what you're buying, what it's costing, and why you're making those decisions.

2.

Ask questions - while your children might expect you to have the answers all of the time, a good place to start is to ask them what they do and don't understand and focus on those topics first. Share the things about money management that you find tricky, so they understand some of the challenges of staying on top of your money and that we're all only human.

3.

Put it into practice - give them some responsibility and get them involved in some budgeting around the home expenses or something fun like a family day out.



33% of parents feel
anxious about the
cost-of-living at least
once a week

Parents and the cost-of-living crisis

Our research also explored the toll the cost-of-living crisis has had on parents

The majority of parents (56%) have spent more money in the last three months – citing the top reasons as:

1. Cost-of-living
2. Large unexpected costs
3. Going on holiday and paying for birthday celebrations

Of those who have spent less in the last three months – they cited:

1. Having less disposable income to spend
2. Trying to save more
3. Not going on holiday as the reasons

17% have been meeting friends and family at home to spend less, with 16% doing free activities and 21% cancelling subscriptions

33% of parents feel anxious about the **cost-of-living** at least once a week.

Parents are most likely to expect the **cost-of-living crisis to improve** for their household **after 2024**. But one in 10 believe it will never improve.

Parents spend beyond their means on average **a quarter of the year**.

10% of parents have £0 or less in their current account the **day before payday**.

On average, **parents have £179 left** in their current account the **day before payday**.

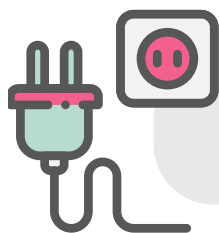


Family finances this winter

The top five spending priorities for parents this winter are:



49% essential groceries



48% heating bills and electricity



38% saving for Christmas



19% new clothing for the family



17% saving for 2024

Treat meals and takeaways were voted as the **lowest spending priority** by parents. **35% of grandparents** will prioritise **saving for Christmas** and **16%** will focus their spending on **presents** for their families.

Our conclusion

We wanted to learn more about how we manage our money, from how we prioritise our outgoings, to our efforts to economise. With the support of our experts, The Money Charity and Sue Hayward, we've been able to dig deeper into the nation's spending habits.

We've found that essential groceries are eating into our salaries more than ever before, that high mortgages and rent payments are stretching our purse strings, and while we're increasing our spend on certain luxuries, for most these are still out of reach.

Our spotlight on families revealed the pressures parents face, how they prioritise and plan for the future, and where they feel the most strain.

As we write this, inflation is dropping, but it's still at levels not seen for many years. The country's economy is improving, but it's still suffering from the turbulence of the last few years, and there could still be further shocks ahead. It's certainly going to continue to be a testing time, and we're not out of the woods for now.

Yet, what we can say, based on our latest research, is that people are starting to gain more confidence with their spending.

Over time, we'll be expanding our research by tracking changes and patterns – whether that be seasonal shifts or long-term adjustments to how and what we spend our money on. We're looking forward to continue to share insights on all things spending.

Thank you for reading.



Adam Bullock
UK Director, TopCashback

About TopCashback

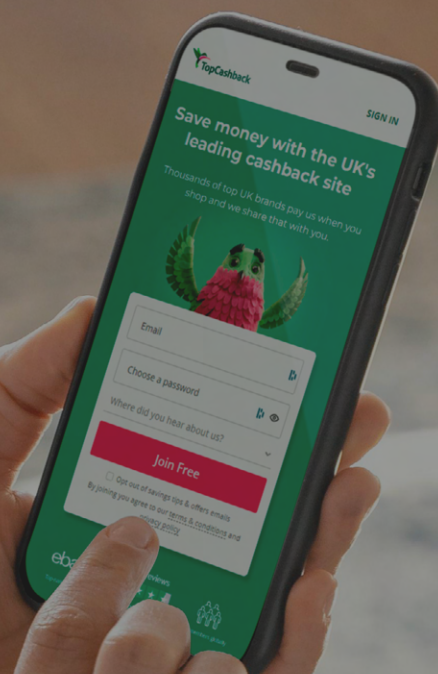
TopCashback is the UK's leading cashback and money-solution site, offering the most generous cashback rates to more than 6,000 retailers to over 20 million members. From weekly food shops to insurance and holidays to clothes, our mission is to save our members as much money as possible. On average, our members save £300 a year when shopping through TopCashback – and some save thousands!

TopCashback, Moneyfacts Cashback site of the year, is paid a commission by its 6,000 retailers for click throughs from our website or app to theirs. We pass 100% of this commission back to our members, who then make the cashback saving. It's completely free and anyone can join.

To join visit [TopCashback.co.uk](https://topcashback.co.uk) or download our app.

For support and guidance related to spending and saving money visit **The Money Charity** and **Citizens Advice**

For information related to this report, please contact press@topcashback.co.uk



This report includes consumer research and analysis of its internal data by TopCashback.

The consumer research was conducted by Censuswide, with 2,001 UK respondents aged 18+ between 09.08.2023 - 14.08.2023. Censuswide abide by and employ members of the Market Research Society which is based on the ESOMAR principles and are members of the British Polling Council. Internal data was collected in August.



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