# Personal Debt to Hit £2.5 Trillion by the End of the Decade

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Adults in the UK will owe an average of over £47,000 by 2020, according to new analysis by The Money Charity.

The UK's leading financial capability charity today calls on all parties to make financial capability a key policy priority after next month's election or face a personal debt crisis.

Figures from the Office for Budget Responsibility, released alongside the Budget, show that total personal debt is projected to reach £2.495 trillion by Q1 2020.

The charity's Money Statistics, published today, reveal that outstanding mortgage lending in the UK reached £1.3 trillion for the first time in February – but this will increase by almost 50% as house prices continue to rise over the next five years.

The figures also show that average personal debt, including mortgages, is £29,126. By 2020, according the OBR, this will have increased by 62%. Using official population estimates, that makes an average of £47,195 per adult - £34,124 of which will be mortgage lending.

**Michelle Highman, Chief Executive of The Money Charity, said:**

"With total outstanding debt set to reach £2.5 trillion by the end of the next Parliament, we need to put plans in place to make sure everyone can manage their money – before they get into problem debt.

"That means well-resourced financial education in schools, and support for adults throughout their lives as part of a joined-up strategy for improving financial capability.

"It also means products that support people to manage their money, and fair treatment and insolvency options for people who do get into difficulties.

"Securing financial education initiatives in schools should be an immediate priority for whoever is in Downing Street on May 8th. There is currently no state funding for financial education despite its position on the national curriculum, and the third sector is hugely struggling."

**Latest figures include:**

1. **£2.91:** average daily spend per household on gas, electricity, and water

2. **£1.302 trillion:**total secured debt in the UK

3. **4.37%:**proportion of average salary someone in the UK can expect to spend on interest

4. **6,407:** number of debt problems dealt with by Citizens Advice every working day

5. **£55.96:** average cost of filling a 50-litre unleaded tank

6. **£2,564:**Government borrowing per second in February

7. **£2,293:**average household credit card debt

8. **5.9%:** proportion of pre-tax income saved by people in the UK

9. **3.8%:** level of mortgage lending that was for 90% or more of the property's value

You can get the full picture at http://themoneycharity.org.uk/money-statistics/

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