

## 42% of people dramatically cutting Christmas expenditure

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Wednesday, 7 December 2022

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As the cost-of-living crisis deepens, 42% of people will be dramatically cutting their spending this Christmas

Christmas always means added costs for most households, but this year the pressure is really on as the cost-of-living crisis means that most have less disposable income to spend during the festive season.

At KIS Finance (<https://www.kisbridgingloans.co.uk/>) we have been looking at the impact on spending habits by comparing the results from our Christmas spending survey four years ago to our current survey. Based on the results it looks like people will be dramatically changing their spending patterns this year as prices soar.

42% of people are planning to dramatically cut their normal Christmas spending, with many predicting that they will be halving their normal expenditure. With essentials such as food, heating and fuel now accounting for a much greater proportion of disposable income, non-essential spending, including Christmas related items, are coming under increasing pressure

### How have Christmas spending patterns changed

Back in 2018 the average household additional spend at Christmas was £500. At that time around 23% planned to reduce their Christmas spending, primarily linked to concerns over the impact of Brexit and what that might mean for the economy. But overall, 60% still planned to spend their normal amount on celebrating Christmas and 15% planned to push the boat out and increase their usual spend, with 2% unsure of their plans.

However, this year the picture looks very different. 42% are planning to cut their expenditure over the festive season compared to last year, with many planning to dramatically reduce the amount they spend on food, gifts and celebrations. On average those looking to cut their spending are expecting to do so by as much as 50% compared to previous years. This dramatic reduction is a clear reflection on the financial pressures that many households are facing as we approach the festive season this year.

### Does age influence Christmas spending?

Four years ago we found that as people got older their Christmas spending patterns became more consistent year on year, with 62% of those aged between 45 to 54, and 65% of over 55's planning to keep their expenditure the same as the previous year.

However, this year things look very different, with more people in each age group looking to reduce what they spend over the Christmas period. Only 43% of those age 45 to 54 and 45% of those over 55 are planning to stick to their normal Christmas budget this year.

Four year ago we found that only 25% of those aged 45 to 54, and 20% of those 55+ were planning to spend less. But these figures have risen noticeably this year, with 41% of those aged 45 to 54 and 43% of those 55+ planning to cut their budget for this Christmas. Clearly the cost-of-living crisis is hitting people of all ages and many are having to make some hard decisions this year to cut back on their festive spending.

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Full report:

<https://www.kisbridgingloans.co.uk/consumer-guides/what-will-the-british-public-be-spending-this-christmas/>

About KIS Finance:

KIS Finance are an independent finance broker specialising in bridging finance, development finance, commercial mortgages, equity release, and secured loans. Their team of advisors have considerable experience across multiple different areas of the finance sector, as well as insurance and compliance.

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