



Key Trends

Cost of Living -
Consumer Trends

This content has been collated to provide information on **Cost of Living Consumer Trends** in Scotland. This report was produced in **October 2024**. As the cost-of-living issue is rapidly changing, you can access the latest data using the relevant links below.

Alternatively contact us on info@bgateway.com with your question and we'll answer with the latest information available for your business.

How are your customers affected by the cost of living?

The following summary statistics and links have been extracted from market research reports and reliable resources to give an overview of how the current cost of living changes are affecting consumer buying and spending behaviour.

- ◆ **Impact of increased cost of living on adults across Great Britain: July to October 2023** from **Office of National Statistics** ([Impact of increased cost of living](#)). This publication uses data from the Opinions and Lifestyle Survey which asked adults about changes in their cost of living. In October 2023, around 4 in 10 (39%) adults reported that they would not be able to save money in the next 12 months. Around 3 in 10 of adults (29%) reported an inability to afford an unexpected expense of £850, and around 1 in 20 (5%) adults reported running out of food and not being able to afford more. Among those currently paying rent or a mortgage, around 4 in 10 (40%) adults reported that affording their rent or mortgage payments was very or somewhat difficult.
- ◆ **PWC Consumer Sentiment Survey – Autumn 2024** ([PWC Consumer Sentiment Survey](#)) reports that Consumer sentiment has fallen to its lowest level in 2024, seeing the biggest quarterly decline since Spring 2022. Sentiment has now dropped from zero just after July's general election, to -8 in late September. Over the last quarter, finances have worsened slightly, but most noticeably among older consumers and those on benefits. However, while those aged 65 and over have seen a drop in 'healthy finances' they remain above the UK average. And despite this quarterly decline, household finances are in better shape across the board compared with this time last year. The only area of discretionary spending that has been consistently protected has been holidays, which continue to be non-negotiable, typically funded by savings in other areas. Despite falling food inflation and some short-term weakness in grocery sales at the end of summer, 38% of consumers are expecting to spend more at the supermarket over the next 12 months.
- ◆ **BBC Business** ([UK Inflation Rate, Oct 24](#)) October 2024, reported that prices in the UK went up by 1.7% in the 12 months to September, the lowest rate in three-and-a-half years. Although food price inflation has now dropped back, some parts of the economy, like the services sector - which includes everything from restaurants to hairdressers - are still seeing more significant price rises. Average annual growth in pay (excluding bonuses) during the three-month period was 4.9%, down from 5.1% in the previous quarter. Despite the slowdown, wages are still rising faster than inflation.
- ◆ **Family Spending in the UK: April 2022 to March 2023 (released Aug 2024)** ([Family Spending in the UK](#)) reported that average weekly household expenditure was £567.70 in the financial year ending (FYE) 2023, a nominal increase of £38.90 from the previous year (7%); however, after accounting for inflation this was a real-terms decrease of £21.10 (4%). The proportions of total expenditure spent on food and non-alcoholic drinks, transport, and recreation and culture have returned to FYE 2020 pre-pandemic levels, while restaurants and hotels remain below FYE 2020 levels. The poorest fifth of households continue to spend the greatest proportion of total expenditure (27%) on housing (net), fuel and power.

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- ◆ **Office of National Statistics (ONS)** have produced **Family Spending Explorer** ([Family Spending Explorer](#)) which is an interactive family spending tree map to find out more about how families in the UK spend their money every week. Find out how much families spend on **recreation and culture, restaurants and hotels, clothing and footwear, food and non-alcoholic drinks, household goods and services, communication, alcoholic drinks, and health.**
- ◆ **Nomis** (nomisweb.co.uk/) provides statistics on employment, earnings, occupations and economic inactivity statistics in Scotland and smaller regions. You can download a **Labour Market Profile** for an area of your choice. Select which type of area you would like more details on and then enter postcode or place name in the 'search' box on the next page. You can then select which type of profile from the results. This website also allows users to compare results with other UK regions, cities, or towns.

Business Support

For information on **reducing the cost of running your business**, please visit our **Rising Costs Support** page (bgateway.com/rising-costs-support), additionally the following resources might also be useful;

- ◆ **Find Business Support** (findbusinesssupport.gov.scot/) is a comprehensive site where businesses can browse all of Scotland's public sector support options including advice, funding, training, webinars and more. An entire section has been dedicated to the [Cost of Doing Business](#) with resources to guide businesses on topics such as: reducing energy costs, managing your finances as well as sector- and region-specific funding and support links.
- ◆ **Highlands and Islands Enterprise (HIE)** - support for [Cost of Doing Business](#) is a springboard for support and resources for those businesses based in the Highlands and Islands region. There are links to Digital Support, Scottish Manufacturing Advisory Service and Zero Waste Scotland, along with links on how to get in touch with a specialist.
- ◆ **Scottish Chambers of Commerce (SCC) - Business Support** ([Business Support](#)) This offering will link businesses to a range of services covering International Trade, Business Mentoring (including Finance Mentoring), the SCC Network in London and a Global Chamber Network.
- ◆ **The Scottish Council for Voluntary Organisations (SCVO) - Cost of living & the #RunningCostsCrisis** ([SCVO.scot](https://scvo.scot)) highlights the challenges for voluntary organisations and the people they support. The SCVO talks about the need for both short- and long-term solutions for funding voluntary organisations. The page has links on how to save on costs; tax, legal and investment advice; policy and influencing articles and documents; as well as links to their information service among other resources.
- ◆ **Business Energy Scotland** (businessenergyscotland.org/) Free impartial support and access to funding to help businesses save energy, money and carbon.

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Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

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