



Real cost of Christmas falls on the high street

In the run up to the festive period many people across the UK will be feeling the pinch. With presents, food and drink to purchase, consumers may be worrying whether they have the budget needed to celebrate fully this Christmas period.

New research from Halifax reveals some rare positive news for Christmas shoppers. After factoring in inflation, the cost of many items, traditionally associated with Christmas have dropped in cost.

The fallers

In the last year alone many Christmas favourites have fallen in price. Purchasing presents has reduced as the cost of clothing has dropped 6%, toys and games have fallen 5% and CDs have decreased by 3%. The festive binge has also seen reductions including the turkey reducing by 2% and spirits reducing by 4%.

Many Christmas favourites have fallen over the longer term. Children's toys have seen the biggest price drop in the last 10 years. This will be a relief for parents as the cost of children's 'must haves' have fallen by 46% since Christmas 1998, when a Furby was at the top of every child's wish list and the Spice Girls were at number one.

Stubbornly staying put

However, not all purchases related to the festive period are showing signs of reducing. In the last year there has been a slight price increase in some Christmas items while others stubbornly remain the same:

- Brussel sprouts increase by 5%
- Jewellery rises by 1%
- Books, confectionery and bread remains the same

Commenting on the research, Alan Brindley head of Halifax Credit Cards, comments:

"A number of Christmas favourites have fallen – welcome Christmas cheer for festive shoppers. However whilst Christmas cake and a number of other items may have come down in cost, times remain tough and the importance of setting aside budget and sticking to it is paramount.

"For those who haven't managed to save a full set of Christmas funds, the Halifax All-In-One credit card offering 0% for 10 months on purchases, means shoppers can spread the cost of their purchases and not pay any interest until the end of 2009."

Table 1: The real cost of Christmas favourites over the last 10 years.

ONS RPI Category	Item/ Christmas Gift	Real Price Change 1yr (%)	Real Price Change 5yrs (%)	Real Price Change 10yrs (%)
Garments	Socks & Woolly Jumpers	-6	-23	-44
Games, Toys & Hobbies	Toys	-5	-28	-46
Recording Media	CD's/ Tapes/ Records	-3	-21	-34
Vegetables	Brussel Sprouts	5	-1	-4
Spirits	Spirits	-4	-13	-24
Meat	Turkey	-2	-9	-16
Wines, Cider and Perry	Wine	-3	-11	-15
Sugar Confectionary and Ice Cream	Chocolates	0	1	-3
Jewellery, clocks and watches	Jewellery	1	2	-2
Books	Books	0	2	6

Editors' notes:

*The Halifax research used data from the Office of National Statistics (ONS) to find the real price change in items commonly bought at Christmas. The research used the official ONS RPI categories to estimate the rise or fall in the cost of festive favourites (e.g 'vegetables' for brussel sprouts, 'garments' for socks and woolly jumpers and 'jewellery, clocks and watches' for jewellery).

The Halifax All-In-One Card is an internet exclusive and only available by visiting <http://www.halifax.co.uk/creditcards/home.asp>

- 0% for 10 months on balance transfers (3% balance transfer fee applies)
- 0% for 10 months on new purchases
- Typical 15.9% APR variable
- No annual fee
- Cover against online fraud when purchasing on the internet
- A choice of five different card colours (Black, White, Pink, Red and Blue)

Press Office contacts:

Alex Barnett 01422 333 253
Rebecca Malish 01422 334 695