



Strictly embargoed until Saturday 20th December 2008

Brits aim to cut the cost of Christmas by imposing spending Cap

New research by Halifax reveals that many of us are tightening our belts this year by imposing a cap on Christmas present spends. Almost a third of us (31%) admitted we had agreed a spending cap with friends and family.

Average cap £33.26...

Results showed that the average cap was £33.26, with two-thirds of those agreeing a cap (66%) intending to spend £25 or less per person. The average cap was highest amongst 16-24 year olds at £51.46 and lowest amongst 35-44 year olds at £25.15.

Those in Scotland were most generous agreeing a cap of £51.68 with friends and family. Shoppers in the South East agreed the smallest cap with an average of £15.78 (see figure 1 for full regional results).

Results indicated that not everyone was having to cut back this year with one in ten of those agreeing a cap (12%) indicating we had agreed a spending cap of £100 or more per person.

Friends and extended family are the biggest losers...

The research revealed that our extended family and friends were most likely to lose out as a result of any spending cap. Half of people who had agreed a cap said they would now be spending less on their extended family (49%) and friends (50%).

However, over a fifth (22%) said that they would be spending more on their immediate family as a result of the cap (see figure 2 for full results).

Most people stick to their cap...

When asked if we stuck to an agreed spending cap, the vast majority (85%) of us said we did. Those aged 16-24 years old were most likely to break any cap, with over one in five (22%) indicating they had.

Why are more people setting a cap this year?

The Halifax research showed that although the most popular reason for agreeing a spending cap was to reduce the amount we spent (73%), we often had multiple reasons for agreeing to one. Well over half of those agreeing a cap (58%) said it was also because it saved the worry of knowing how much to spend and nearly half (49%) thought it made shopping easier.

So who's setting a cap?

Those aged 25-34 years old were most likely to agree a cap with 37% revealing they had. However, this fell to a fifth (21%) for those aged 55-64.

More/....

Almost half (43%) of Christmas shoppers in Northern Ireland were likely to have agreed a cap. This compares to just one in five (21%) in the North (see figure 3).

Mike Regnier, Halifax head of banking, comments:

"Our research shows people are setting a cap and sticking to it this Christmas. For many, a sensible spending cap is a great way to cut the cost of Christmas and still manage to buy presents for all our family and friends."

Ends.

Editor's Notes:

Figure 1: Average regional cap agreed with friends/family:

Scotland	£51.68
North West	£42.50
West midlands	£42.28
Wales	£41.31
London	£39.71
South West	£39.13
Yorkshire & Humberside	£35.79
North	£32.44
Northern Ireland	£29.58
East Midlands	£21.31
Anglia	£20.22
South East	£15.78
UK Average	£33.26

Figure 2: By implementing a spending cap will you have spent more or less on...?

	More	Less	Same	Don't Know
Immediate Family	22%	32%	45%	1%
Extended family	10%	49%	38%	3%
Friends	8%	50%	37%	5%
Work Colleagues	7%	43%	28%	22%
Neighbours	5%	44%	30%	21%

Figure 3: Those that have agreed a cap with friends/family on Christmas spends:

Northern Ireland	43%
Anglia	37%
West midlands	34%
South East	33%
East midlands	32%
London	31%
South West	31%
Wales	31%
North West	31%
Scotland	30%
Yorkshire & Humberside	24%
North	21%
UK Average	31%

Research undertaken by GfK NOP on behalf of Halifax. A representative sample of 1,000 adults were surveyed in December 2008.

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