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# Starting out, falling behind:

## Tracing young adults' journeys into debt

**October 2026**

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A report from the Personal Finance Research Centre,  
University of Bristol, in partnership with StepChange  
Debt Charity



**NatWest Group**

## STARTING OUT, FALLING BEHIND: TRACING YOUNG ADULTS' JOURNEYS INTO DEBT

### ABOUT THIS REPORT

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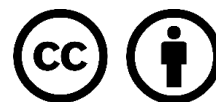
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# QUICK READ

This study looks beyond generational labels to understand the factors that shape the financial lives and experiences of 18-34 year-olds and their potential financial futures. It draws on four data sources to give a detailed and rich picture: StepChange client data for 71,000 young adults aged 18-34 who received advice in 2025; an online survey of around 100 young StepChange clients who recently received advice; interviews with 20 young adults who completed our client survey; and nationally representative polling of 4,200 UK adults, including 829 aged 18-34.

## **The antecedents of financial difficulties among 18-34 year-olds**

Our polling shows that a third (34%) of young adults felt that - six years on - the pandemic continued to have scarring impacts on their career progression, substantially higher than those aged 35-49 (23%) and 50-64 (16%) respectively.

For StepChange clients in our survey, cost of living pressures and housing costs were top concerns: around half (49%) said they were not earning enough to cover their essential costs, even if they were working; and 44% had borrowed money to make rent/mortgage payments in the last three years.

Survey respondents also reported that health problems impacted their engagement with work, their earnings, and were often linked to the financial challenges that led them to StepChange. Our interviews highlighted the extra burden of health-related costs; and instances of impulsive or compensatory spending linked to poor mental health.

## **Debt beginnings and escalation**

Three-quarters (75%) of StepChange clients in our survey said they first used credit before the age of 21, with first products typically a student or other overdraft, or credit card. Four-in-ten (43%) said they had a clear plan to repay the money they had borrowed at the time they took it out. But, with hindsight, over half (53%) felt they didn't fully understand the risks and terms of the credit they used.

Young people's debt escalation often followed a similar pattern as they tried to plug the shortfall between their income and expenses, with increasing consumer debt over time (including to pay for priority debts such as rent); a prolonged period of minimum repayments; debt consolidation to pay off their accumulated credit debts; renewed credit use to balance their finances; before reaching a crisis or tipping point that triggered advice-seeking.

## **Navigating a way out of debt**

Before going to StepChange, clients in the survey found the most useful sources of information about money, credit or debt to be websites with guidance about money (used by 63% of information-seekers); online forums (23%); and apps or digital tools (22%). While half (48%) cited family as source of information, this scored less highly in terms of usefulness.

The StepChange clients we interviewed generally did not regard their creditors as a natural source of information or help with debt problems – because they were seen as part of the problem for advancing more credit in the first place; but also because people were concerned that essential lines of credit would be cut off; or they felt ashamed and embarrassed about being in debt.

When they did engage with creditors about debt problems, interviewees wanted to be "treated like a person" rather than a balance on a system. This included proactive, individualised contact e.g. checking-in via a banking app when financial stress was visible with an empathetic, human-sounding message, rather than automated or template communications.

## **Using AI for money matters**

Young StepChange clients in our survey were generally open to the idea of using AI tools (such as ChatGPT, Copilot, Claude) to help with things like writing letters to creditors (44%); general budgeting advice (41%); and personalised budgeting advice (35%). But a quarter (26%) said they wouldn't use AI at all for any purpose – and in the interviews, clients often expressed considerable scepticism or concerns about using AI.

This was echoed in our UK polling, where four-in-ten (43%) of 18-34 year-olds said they would not be willing to use AI for any financial tasks. This rose to half (51%) of 18-24 year-olds, which was close to the population average (49%). One explanation might be that 18-24s had less need to conduct financial tasks; whereas 25-34 year-olds were generally more likely to say they would use AI for financial tasks such as general budgeting advice (30% of 25-34 year-olds, compared to 20% of the population as a whole).

## **Looking to the future**

For almost all (90%) of StepChange clients in our survey, the main financial goal for the future was to become debt free (if they had not already). Other important goals were managing to afford basic living expenses month to month (62%) and building a small savings pot for unexpected expenses (63%). In other words, their goals focused on achieving some modest financial stability that previous generations may have been able to take for granted.

When asked what would help them achieve their financial goals, common themes included: any relief against cost of living pressures; flexible work, either to help manage health conditions or to fit in with childcare responsibilities; and improved financial knowledge, for example, around budgeting or saving strategies.



# FOREWORD

**By Haydn Williams, Head of Financial Health and Support, NatWest Group**

Young adulthood should be a time of optimism, yet many young people have entered adulthood shaped by the 2008 financial crisis, COVID-19 and rising living costs. This research highlights how pressures around essentials, housing, health and insecure work are making financial stability increasingly difficult for young adults.

At NatWest Group, improving financial wellbeing starts with understanding real customer experiences. That is why we funded this research, commissioned by StepChange and delivered by the University of Bristol. It provides valuable insight into the financial lives of 18-34 year-olds, drawing on large-scale data, surveys and personal stories from those who have sought debt advice.

The findings show financial difficulty rarely has a single cause, and that credit is often used to bridge gaps in income until people reach breaking point. They also underline the importance of trusted information and early support. We hope this report encourages meaningful action to strengthen young adults' financial resilience.

**By Vikki Brownridge, Chief Executive, StepChange Debt Charity**

Young adults today are entering adulthood in circumstances that make financial stability harder to achieve. This research shows how pressures around income, housing, health and early credit use can quickly turn into financial strain, often long before people feel able to seek help.

Drawing on StepChange client data, surveys and interviews, the study reveals how financial difficulty escalates and how early credit decisions are shaped by limited options rather than lack of awareness. These insights deepen our understanding of the realities young adults face. I welcome Haydn Williams' reflections on the importance of listening to real experiences. At StepChange, this is central to how we support people, providing trusted, human help when they need it most.

The voices in this report highlight the emotional barriers young adults overcome to seek advice and remind us why improving financial resilience requires coordinated action across sectors. Their experiences guide the work that must follow.

# 1 Introduction

This study looks beyond generational labels to explore the financial lives and journeys of young adults aged 18-34 in the UK today, and their potential financial futures.

There are 15 million people in the UK aged 18-34, making up 22% of the total population (ONS, 2025) and around a third of the total workforce (ONS, 2026). The 18-34 age group spans two generational labels: Gen Z (those born roughly between 1997-2012, and aged 14-29 in 2026) and Millennials (those born roughly between 1981-1996, and aged 30-45 in 2026). These labels are often used as a shorthand way to describe cultural trends, economic conditions, and technology habits. In particular, 18-34 year-olds are often regarded as digital natives or digital pioneers, because they grew up during the rise and mass adoption of information and communication technology in the shape of the internet, mobile phones, personal computers, and most recently social media.

The purpose of this study is to look beyond these generational labels to understand how the financial lives and experiences of 18-34 year-olds are shaped by factors such as age, education and work, personal circumstances and their relationship with financial services.

Conducted in collaboration with StepChange Debt Charity, the research uses three lenses to gain new insights about some of the most financially vulnerable, young adults in the UK:

1. **Drivers of financial vulnerability** including labour market attachment, the legacy costs of funding higher education, cost of living pressures, and the use of consumer credit as a coping strategy.
2. **Help-seeking strategies and experiences in a digital-first world**, including seeking help with debt.
3. **Trust and values in relation to financial services** and what this means in terms of choices and uses of financial services, with a particular focus on banking, credit and dealing with debt.

The study builds on StepChange's *Debt's Early Grip* report (StepChange, 2024) which showed how low pay, unemployment and high housing costs were driving debt problems among its clients aged 18-24. Since then, an independent review of young people aged 16-24 who are not in education, employment or training (NEET) has concluded that Britain “*is confronting a systemic failure at the point where a generation is supposed to transition into adulthood.*” (DWP, 2026).

In this study, we deliberately extend our focus beyond age 24, to examine the financial lives and challenges faced by young people up to age 34, a period when more of them are likely to experience significant milestones on the transition to adulthood, such as moving in with a partner for the first time, having a first child, and buying a first home (ONS, 2024).

To do this, we used four different data sources (see Box 1.1) to represent the experiences and views of 18-34 year-olds, including both those who sought help from StepChange in 2025/2026 and a wider nationally representative sample of young adults as well.

### Box 1.1 – Overview of research methodologies

- 1** Analysis of StepChange client data, focusing on ~71,000 young adults (aged 18-34) who received advice in 2025
- 2** Online survey of ~100 young adults who had recently sought help from StepChange
- 3** Follow-up semi-structured interviews with 20 young adults who completed our client survey
- 4** Nationally representative polling of 4,200 UK adults (including 829 young adults aged 18-34) conducted by YouGov

Throughout the report we use pseudonyms when naming StepChange clients who took part in the research. For more detail on the methods used, see the Appendix.

## In this report

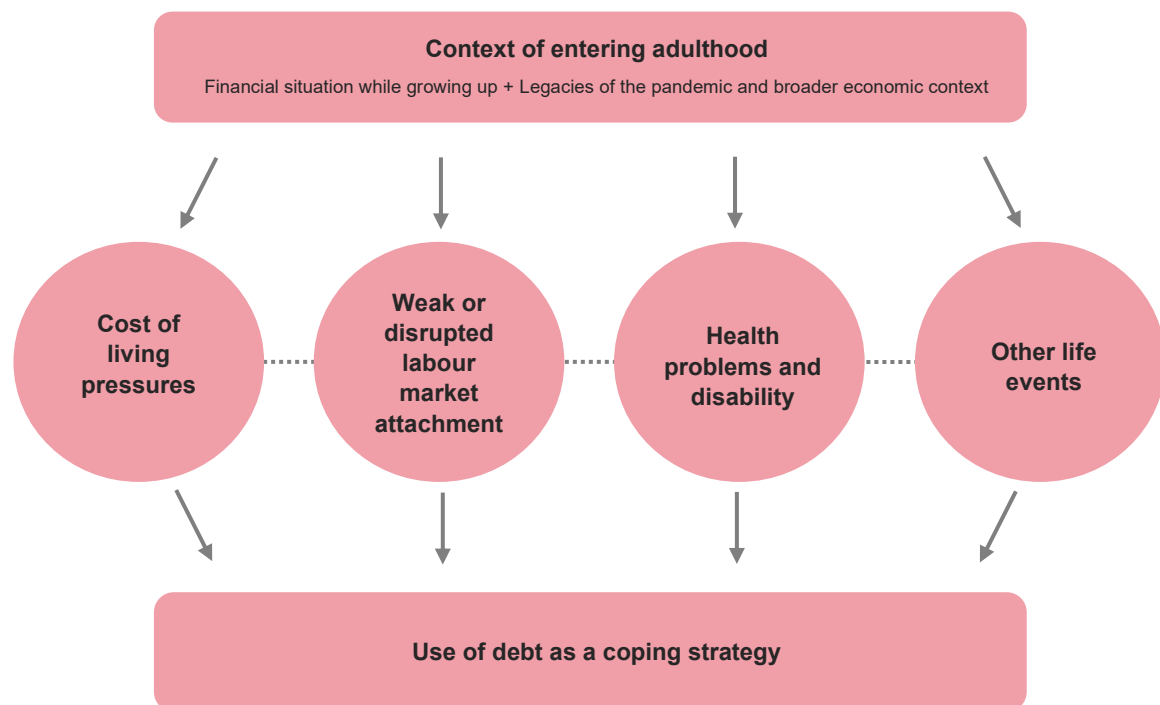
Chapter 2 examines the antecedents of financial difficulties among young adults, including the common risk factors. Chapter 3 looks in detail at young adults' debt journeys – how their borrowing begins and escalates. Chapter 4 describes the experiences of young adults in navigating their way out of debt, focusing particularly on their use of advice and information. The final chapter looks ahead to young adults' financial goals and aspirations for the future.

## 2 The antecedents of financial difficulties among young adults

There is no universal pathway into debt – each young person’s journey is unique – but, in this chapter, we explore some of the common factors that shape the risk of financial difficulties for today’s 18-34 year-olds.

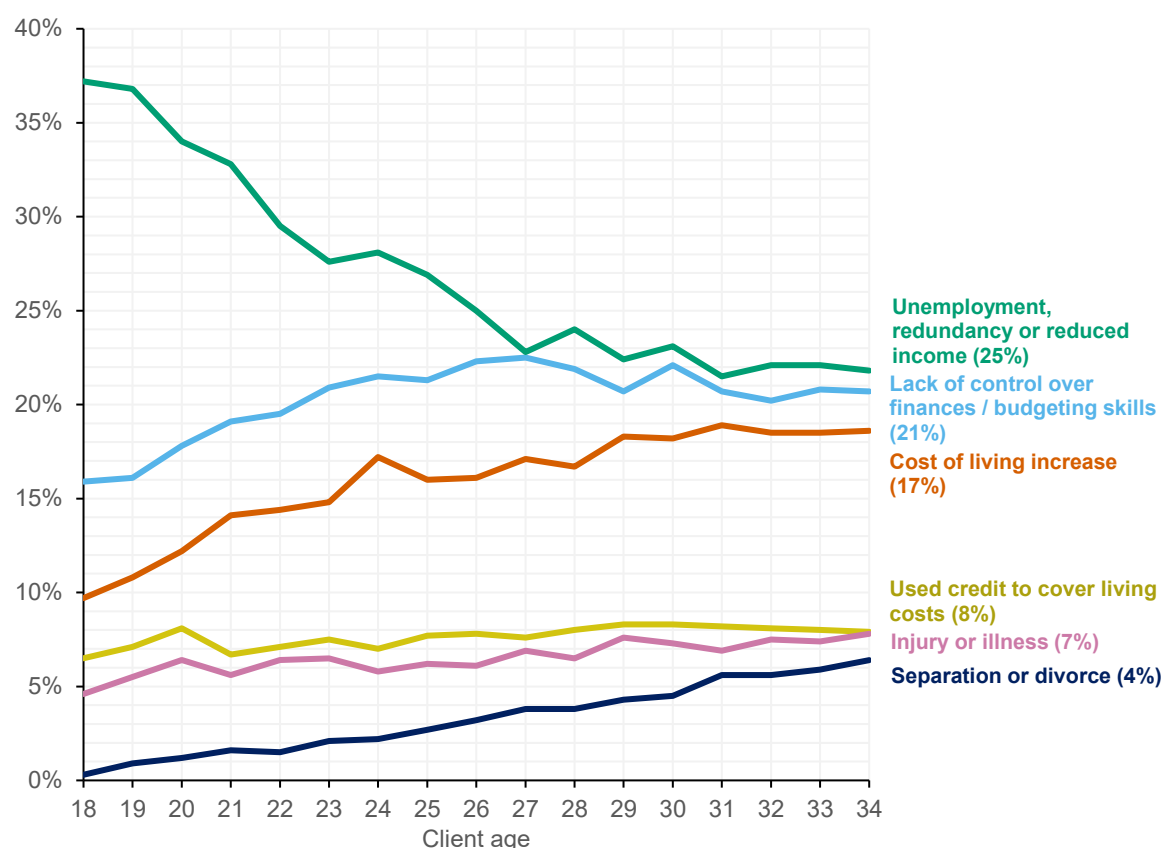
Figure 2.1 gives an overview of the different factors that drove financial vulnerability among the range of young people that we engaged with as part of this research. These are the difficult contexts in which young people are entering adulthood, broader cost of living pressures, challenges related to income and work, health problems, and other life events that lead to debt. We explore each of these issues in turn throughout this chapter.

**Figure 2.1 – Drivers of financial vulnerability among younger StepChange clients**



When clients seek advice from StepChange, they are asked what they feel is the main cause of their financial difficulty. Figure 2.2 summarises the most common responses, showing how reasons change with age. ‘Unemployment, redundancy or other reduced income’ is the single most frequent reason, given by 25% of young adults – but reaching as high as 37% for 18 and 19 year-olds. A general ‘lack of control over finances or lack of budgeting skills’ was the second most common (21%), while ‘cost of living increase’ comes third (17%) – both of which increase somewhat with age. ‘Used credit to cover living costs’ was next (8%), followed by ‘injury and illness’ (7%) and ‘separation or divorce’ (4%). The latter increases steadily to 6% by age 34, while the other two were relatively flat. We explore some of these reasons in more detail throughout this chapter.

**Figure 2.2 – Cause of financial difficulty given by StepChange clients aged 18-34, by individual year of age. Figure in brackets gives the average for this entire age group.**



Notes: author analysis of StepChange client data. Sample size = 71,074, with individual age samples ranging from the smallest (age 18 = 371) to the largest (age 33 = 5,695). Other less common reasons not shown.

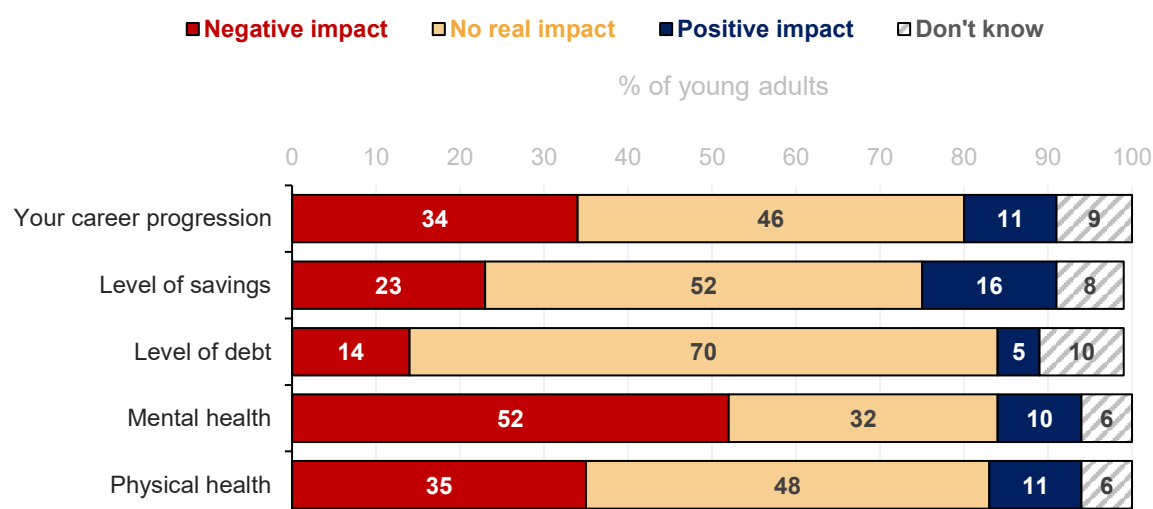
## Entering adulthood in a challenging context

While the eldest of the 18-34 age group entered adulthood shortly after the Great Recession in 2008-2009 – from which income growth in the UK has never fully recovered (IFS, 2024) – those at the younger end of this cohort came of age in the aftermath of the COVID-19 pandemic, shortly before a broader cost-of-living crisis took hold. This challenging context was often at the root of many of the financial difficulties we heard about from participants, affecting either them directly or the household they grew up in.

Through our survey of recent StepChange clients we sought to understand more about their journey into debt, not just their situation at the time of seeking advice. We asked about the household they grew up in, which revealed that just under half (46%) came from households that they felt had regularly experienced financial problems while they were growing up. The remaining 54% said that financial difficulties were experienced either ‘never’ or ‘infrequently’. The sample was also split in terms of their parent or carer’s occupational class when they were age 14: 33% came from a ‘working-class’ household, 20% from an ‘intermediate’ one, and 47% from a ‘professional’ background. This highlights the diversity in terms of routes into debt advice, though of course disadvantage does often persist intergenerationally from childhood into a range of outcomes in adulthood (Belfield *et al*, 2017; ONS, 2016).

In our nationally representative YouGov survey – of a sample of all UK adults, not just those in financial difficulties – we asked about the legacy of the COVID-19 pandemic on five aspects of people’s lives (Figure 2.3). A third (34%) of young adults felt that - six years on - the pandemic continued to have scarring impacts on their career progression, substantially higher than the figures of 23% and 16% for those aged 35-49 and 50-64 respectively. A lower, but still sizeable, proportion of young adults felt the pandemic had negatively impacted their level of savings (23%) or debt (14%). More than half (52%) felt their mental health had been worsened by the pandemic, while over a third (35%) felt this way about their physical health.

**Figure 2.3 – What impact do young adults (aged 18-34) think the COVID-19 pandemic and related restrictions had on different aspects of their lives?**



Notes: YouGov nationally representative survey. Unweighted sample size: 829 young adults aged 18-34. Figures may not appear to sum up to 100% due to rounding.

## The cost of living

The UK’s post-pandemic cost of living crisis is now a ‘permacrisis’, due to spells of high inflation and the economic impacts of geopolitical events. Consumer prices rose by 30.7% from January 2021 to June 2026, compared with a total of 8.7% during the preceding five-and-a-half-year period from August 2015 to January 2021 (Harari, 2026).

Table 2.1 highlights the top income- and housing-related issues that StepChange survey respondents had faced in the past three years. Around half (49%) said they were not earning enough to cover their essential costs, even if they were working.

**Table 2.1 – Top issues related to income or housing that young StepChange clients had faced within the past three years**

| Top 5 income-related issues |                                                                      |     | Top 5 housing-related issues |                                                                               |     |
|-----------------------------|----------------------------------------------------------------------|-----|------------------------------|-------------------------------------------------------------------------------|-----|
| 1                           | Not earning enough to cover your essential costs                     | 49% | 1                            | Borrowed money to make rent/mortgage payments                                 | 44% |
| 2                           | Unpredictable income or hours                                        | 22% | 2                            | Experienced a significant increase in rent/mortgage or housing costs          | 26% |
| 3                           | Working multiple jobs at the same time to make ends meet             | 22% | 3                            | Moved back in with parents or family because of financial difficulties        | 23% |
| 4                           | Job loss – with no redundancy payout                                 | 19% | 4                            | Fallen behind on rent or mortgage payments                                    | 21% |
| 5                           | Prolonged or repeated periods of illness preventing you from working | 19% | 5                            | Had no choice but to live in unsafe, unsuitable or over-crowded accommodation | 15% |

Notes: StepChange Client survey. Sample size: 108.

Housing costs are an especially large expense, with survey respondents reporting a range of housing-related issues as a result (Table 2.1). Four-in-ten respondents (44%) had borrowed money to meet their housing payments in the past three years, while a quarter (26%) had experienced a significant increase in their housing costs. A similar number (23%) had moved back in with parents or family members due to financial difficulties – echoing the increasing numbers of young adults in their 20s and 30s living with their parents (ONS, 2026b). Two-in-ten (21%) had fallen behind with their rent or mortgage, and one-in-six (15%) felt they had no choice but to live in unsafe, unsuitable or over-crowded accommodation.

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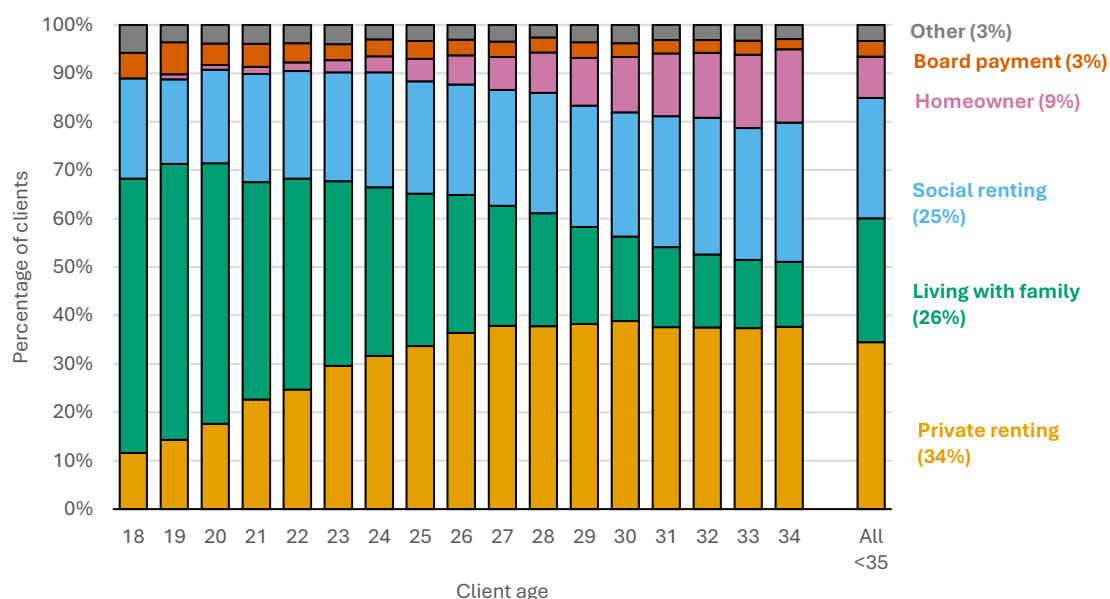
*“The main obstacles are obviously cost of living, and cost of accommodation. I’ve spent over £15,000 in rent... yet have never been able to afford a deposit on a property.” (Survey respondent)*

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StepChange data for 2025 gives us a detailed picture of the housing pressures facing younger clients. Figure 2.4 shows patterns of housing tenure by client age, demonstrating how common it is for younger adults – especially those under 25 – to live with family; nearly three-in-five (57%) of their clients were living with family at age 18 or 19, but this is still as high as one-in-eight (13%) by age 34. Private renting becomes the most common tenure type at age 25 (34%, rising to a high of 39% at age 30). A quarter (26%) of all those under 35 were living in socially rented accommodation, slightly increasing by age 34 (29%). Just 9% of clients were homeowners, rising very gradually to 15% for clients aged 33 or 34.

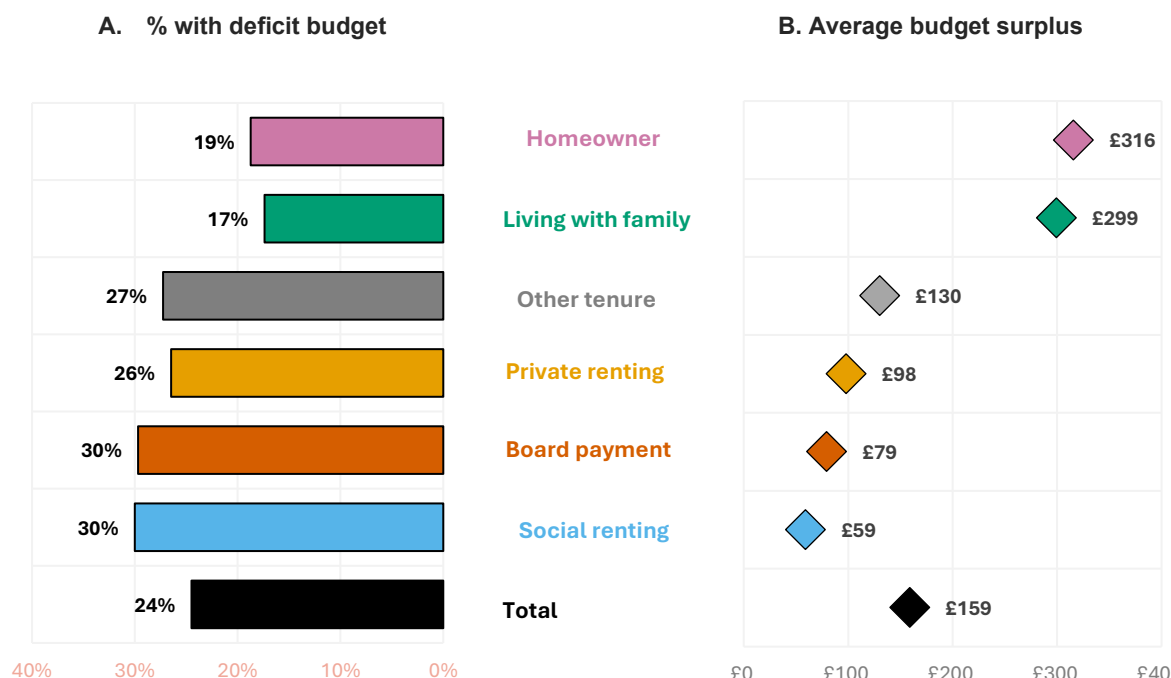
Figure 2.5 meanwhile gives the average budget surplus for each tenure group, among the under 35s. The chart highlights why living with family is often young adults’ only realistic option for housing; those living at home ended with a mean budget surplus of £299, nearly as high as homeowners (£316). This is only possible because it means considerably lower monthly expenditure (£1,084 on average, compared with £2,138 for homeowners and £1,905 for private renters). While social renters had the lowest average monthly surplus (£59), private renters fared little better (£98). This is consistent with analysis that shows the housing cost-to-income ratio is the highest for private renters (34.5% of income), regardless of age (Resolution Foundation, 2026).

**Figure 2.4 – Housing tenure of StepChange clients aged 18-34, by individual year of age. Figure in brackets gives the average for this entire age group.**



Notes: author analysis of StepChange client data. Sample size = 70,941 – with individual age samples ranging from the smallest (age 18 = 362) to the largest (age 33 = 5,689).

**Figure 2.5 – Monthly budget surplus or deficit among StepChange clients aged 18-34, by housing tenure.**



Notes: author analysis of StepChange client data. Sample size = 70,902 – ranging from the smallest (board payment = 2,284) to the largest (private renting = 24,409).

## Income and work

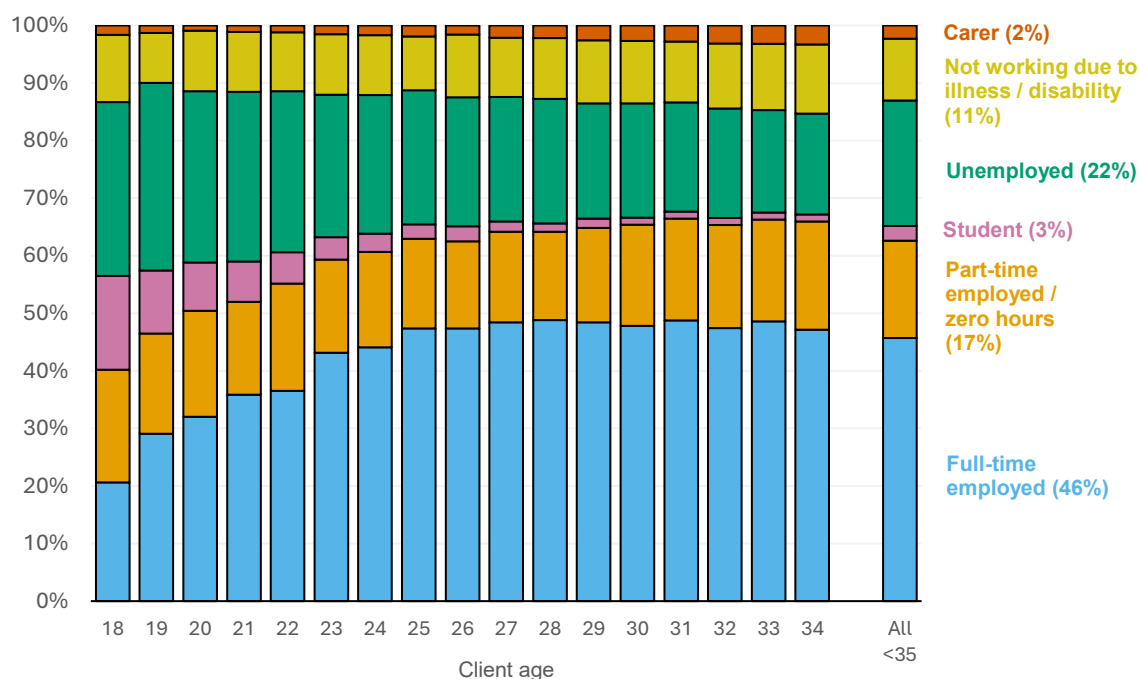
Young people aged 18-34 make up around a third of the total UK workforce (ONS, 2026a). Data from StepChange shows that, among its clients in 2025 aged 18-34, more than three-in-five (63%) were in work when they sought advice, with 46% in full-time employment and a further 17% either part-time employed or on a zero hours contract (Figure 2.6).

Disaggregating this data by age, two-thirds (65%) of StepChange clients aged 25-34 were in work when they sought advice. This is much lower than the UK average employment rate for young people aged 25-34, which was over 80% in 2025 (ONS, 2026a).

Levels of employment were lower again among clients aged 18-24 (as also suggested by Figure 2.2). Just over half (51.5%) of 18-24 year-old clients were in work when they first contacted StepChange, compared to the UK average employment rate for this age group of around 60% in 2025 (ONS 2026a). This is partly driven by a higher proportion of students at this age, but also by higher levels of unemployment. For example, the proportion of clients unemployed peaks at age 19 (33%), comprised of 25% who were looking for work and 8% who were not.

For all StepChange clients under 35, the percentage not working due to illness or disability remains relatively stable between 9% and 12%. The proportion undertaking caring responsibilities increases slightly with age, peaking at 3% for those aged 34.

**Figure 2.6 – Economic activity of StepChange clients at different ages (18-34). Figures in brackets gives the average for this entire age group.**



Notes: StepChange client data for 2025. Sample size = 70,932 – with individual age samples ranging from the smallest (age 18 = 368) to the largest (age 33 = 5,689).

Our survey of StepChange clients aged 18-34 asked about their education and work history since age 16. While those who responded to the survey were slightly more likely to have been employed than the average young client in StepChange's full client dataset (77%, c.f. 63%), we identify four main routes that clients had taken at age 16:

- 39% did vocational courses, an apprenticeship or started working at 16;
- 38% did A-Levels and went to University / Higher Education;
- 15% did A-Levels but didn't go on to Higher Education; and
- 7% took other routes, such as taking on caring responsibilities.

Of those who were aged 30 or over and provided full work/education histories, the vast majority – nine-in-ten (91%) – had worked at some point since age 16. Those who had not worked at all in adulthood typically had either health issues or caring responsibilities.

As Table 2.1 earlier showed, by far the most common work-related issue that young people had faced in the past three years was inadequate earnings (cited by 49% of working respondents) – they were simply not earning enough to cover their essential costs. In a similar vein, a significant number (22%) said they had worked multiple jobs at the same time to make ends meet. The other main work-related issues were unpredictable income or hours (22%); job loss with no redundancy payout (19%); and poor health preventing work (19%).

When asked about things that had affected their ability to work or to do the kind of work/type of job they would prefer in the last three years, health issues or disability was the most cited (38% of survey respondents), followed by lack of confidence or motivation (31%); pay too low to make worthwhile (28%); and lack of suitable job opportunities in their area (27%).

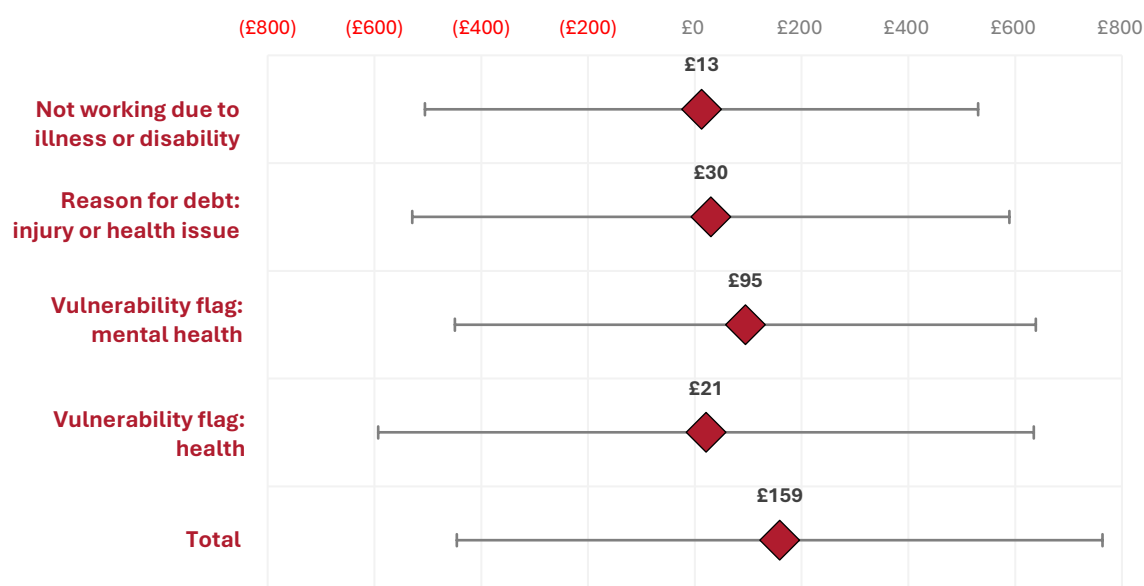
## Health

The connection between poor health and financial difficulties was a strong theme throughout the study. As outlined above, survey respondents reported that health problems impacted their engagement with work, their earnings, and were often linked to the financial challenges that led them to StepChange. The qualitative interviews highlighted three mechanisms:

- **Loss of earned income:** Physical or mental health problems resulted in loss of earnings due to long-term sick leave; a move from full-time to part-time work for health reasons; or in some cases people gave up their jobs completely.
- **The extra burden of health-related costs:** These included the costs of caring for children or family members who had health issues, such as buying special foods or sensory equipment; and people paying privately for medication that was not available to them on the NHS.
- **Impulsive or compensatory spending:** There were instances of impulsive spending or spending for instant gratification that were linked with mental health or neurodevelopmental conditions. As one interviewee described: *'It's a very temporary fix, but it was nearly like you're buying happiness.'* A few interviewees also spoke about impulsive spending or poor spending decisions that were not health-related.

Collectively, these factors meant that young clients affected by poor health were often in a worse overall financial state than the typical young adult seeking help from StepChange. Figure 2.7 shows the average budget surplus using different ways of categorising health-related problems or vulnerabilities within the client data. It highlights how all four of these groups have a lower overall budget surplus (ranging from £13 to £95 per month) than average (£159).

**Figure 2.7 – Average monthly budget surplus or deficit among StepChange clients aged 18-34, using different ways of categorising health-related issues or vulnerabilities. Error bars show standard deviations.**



Notes: author analysis of StepChange client data. Sample size = 70,902 – with individual samples ranging from the smallest (vulnerability flag: health = 3,504) to the largest (vulnerability flag: mental health = 26,381).

## Other life events

Seven-in-ten (68%) of our survey respondents said their financial challenges had first started before the age of 25. The onset of these challenges was often linked to life events or transition points that we know can have serious financial impacts, notably health problems affecting either them or a loved one (cited by 35% of respondents); moving out of the family home (33%); relationship breakdown (28%); and job loss (28%).

Although the data suggests a less strong connection between the onset of financial challenges and starting higher education (16%) or work (15%), nonetheless these were often the moments when young people were first exposed to consumer credit, as we go on to describe in the next chapter.

# 3 From difficulty to debt: how borrowing begins and escalates

In this chapter, we explore how the financial pressures described previously can turn relatively small amounts of borrowing into a much bigger problem that then necessitates debt advice.

## Debt beginnings

Three-quarters (75%) of StepChange clients in our survey said they first used credit before the age of 21, and – importantly – three-in-five (59%) said that their financial difficulties hadn't yet started when they first used credit.

Their first credit product was typically a line of revolving credit – where borrowers can borrow up to their credit limit, repay what they've borrowed and borrow again – such as a credit card (which was the first credit product for 30% of survey respondents); an overdraft on a student bank account (23%); or other overdraft (21%).

Reasons for first using credit differed to some extent depending on which product was first used, echoing other research conducted with 18-34 year-olds in the UK (Appleyard & Aslam, 2023). While sample sizes for individual products were relatively small, notable patterns of first use include:

- **Student overdrafts:** disproportionately used to cover basic living costs, because it was offered or easily available; or because it seemed like a good deal – not surprising given that student overdrafts are typically interest-free until graduation, with credit limits that increase over the period of study and may come with other perks like cash bonuses.
- **Other overdrafts:** predominantly used to deal with a temporary lack of money, but also because it was offered or easily available.
- **Credit cards:** strongly linked to building credit history or credit rating.

Our interviews with StepChange clients highlight young people's first exposure to credit at key life moments, such as starting higher education or a first job, as two of them described:

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*'When I became a student at uni, you obviously get student accounts, and they come with things like a really attractive overdraft with 0% interest, and they also give you a credit card with no interest, and all this kind of stuff, and... and the next thing I knew, I owed, like, £2,000. And I was like, oh, sugar, where's all this money coming from now?' (StepChange client interview, Man aged 30)*

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*'When I turned 18, I kind of got this job, but also got accepted on like overdrafts and credit cards. And I thought, oh my God, like I can splash out... [bank name] they randomly gave me a £2,500 overdraft, which came out of nowhere because at the time, I'd only been working here for about a month.'* (StepChange client interview, Woman aged 21)

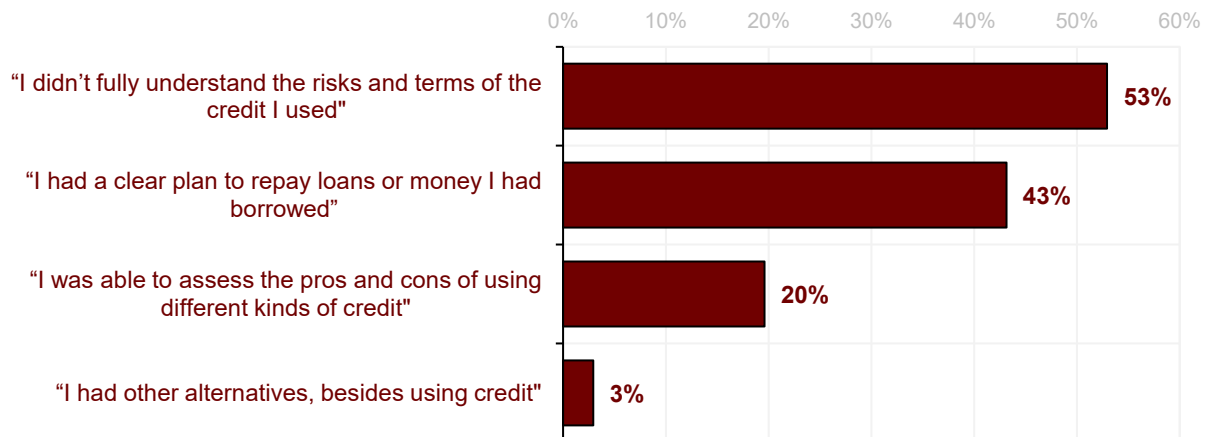
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The things that our survey respondents said mattered most to them when they first took out credit were the likelihood of the lender accepting their application (44%), the ease of the application process, including the speed of getting the money (35%), and the total amount they could borrow (32%).

When asked to reflect on their use of credit before they got in touch with StepChange, four-in-ten (43%) StepChange clients in the survey said they had a clear plan to repay the money they had borrowed. But, with hindsight, over half (53%) felt they didn't fully understand the risks and terms of the credit they used; and only 20% felt they were able to assess the pros and cons of using different kinds of credit (Figure 3.1).

This suggests that, beyond a basic sense that consumer credit was manageable and affordable at the time of taking it out, survey respondents - like the majority of people who take out consumer credit - did not pay much attention to the detailed terms and conditions of the product, which are often written in technical language that consumers may not understand (Panjwani, 2026).

**Figure 3.1 – Young StepChange clients' reflections on their previous use of credit**



Notes: StepChange Client survey. Sample size: 102.

## Debt escalation

Among the young StepChange clients we interviewed, it was notable that consumer credit was often the sole or predominant issue they faced when they contacted StepChange; it was relatively uncommon for them to have arrears on priority debts such as rent. In several cases, this was because they had used credit to pay for bills and other essentials, in order to prevent themselves getting into arrears on priority debts - as in Tilly's case below, which also highlights the links between poor health and debt.

### Tilly's debt journey

Tilly is in her early 20s and lives with her partner in a rented flat. She worked as a healthcare professional for two years but recently had to leave her job due to a debilitating physical health condition. She originally took out a store card to buy a laptop for her healthcare training, but during a spell of sick leave she used it and a credit card to keep up with bills, as she explains: *'I'd kind of spent a lot on store cards and credit cards to try and build up that piece of the wage that was missing, especially to pay for rent, food, etc.'*

She successfully applied for Universal Credit when she left work, but once she had paid her share of the bills there was nothing left to pay her creditors or for everyday living expenses, as she describes: *'Once my Universal Credit payment had come in, all of that money went towards the bills and there was none left. So then when creditors were asking to set up payment plans or pay the full balance, I was like, I physically have nothing left after paying to be able to live basically.'*

Young people's debt escalation often followed a similar pattern as they tried to plug the persistent shortfall between their income and expenses:

1. Their levels of consumer debt increased over time, as they either took out new lines of credit or lenders extended existing limits.
2. They fell into a pattern of minimum payments that felt manageable for a while – as in Mark's case below.
3. They used a personal loan to pay off all their existing credit debts, leaving them with just one repayment to make.
4. Debt consolidation proved to only be a short-term fix, because they still needed to use credit to balance their finances, and balances crept up again.
5. They eventually reached a crisis or tipping point where they realised they needed expert help to deal with their debts.



### Mark's debt journey

Mark is in his early 30s. He has worked full-time since leaving university (currently employed as a manager in the public sector) and rents a flat on his own. He first took out a credit card in his late teens, partly motivated by using it sparingly to build up his credit rating: *'put a tank of petrol on it a month and pay it off.'* His spending on credit escalated over time, driven to some extent by impulse buying linked to periods when he experienced poor mental health. Because he was still able to make minimum payments on his cards, and taking advantage of interest-free balance transfers, he described how *'it felt like it was under control for a long time, until suddenly it wasn't.'* Things came to a head when he started worrying about affording basic food and realised that he was getting more in debt each month. At that point he realised he needed to get some expert help: *'I couldn't really do much... without some kind of support'.*

Based on StepChange client data for 2025, Table 3.2 highlights in more detail how consumer debt is a key driver of financial difficulties among young adults who come to the charity for help. By the time young adults contact StepChange, nine-in-ten (91%) have unsecured debts totalling over £12,000 on average. Six-in-ten (63%) have credit card debt of over £5,000 on average; half (47%) have personal loan debt totalling over £7,000 on average; and four-in-ten (36%) have over £1,000 on average in overdraft debt. As we might expect, amounts of debt are higher among 25-34 year-olds than 18-24 year-olds.

As Table 3.3 shows, priority debts are not uncommon for young adults, even though they did not feature strongly for the young clients we interviewed. In 2025, around four-in-ten young clients aged 18-34 came to StepChange with energy arrears (40%) or Council Tax arrears (37%) arrears. A quarter (25%) had arrears on their water bills. Notably, rates of arrears on household bills were somewhat higher among 18-24 year-old clients than 25-34 year-olds. This might suggest greater cost of living pressures for younger people on lower incomes, potentially combined with less experience in managing household finances.

**Table 3.2 – Percentage with different debt types and average amounts owed, for 18-34 year-olds compared with all StepChange clients**

| Type of credit     | % with debt type |       |       |             | Average amount of debt |        |         |             |
|--------------------|------------------|-------|-------|-------------|------------------------|--------|---------|-------------|
|                    | All 18-34        | 18-24 | 25-34 | All clients | All 18-34              | 18-24  | 25-34   | All clients |
| Credit card        | 63%              | 57%   | 66%   | 67%         | £5,121                 | £2,896 | £5,751  | £8,021      |
| Personal loan      | 47%              | 40%   | 49%   | 48%         | £7,259                 | £3,929 | £8,150  | £9,789      |
| Overdraft          | 36%              | 40%   | 35%   | 31%         | £1,392                 | £1,268 | £1,438  | £1,604      |
| Catalogue          | 25%              | 21%   | 26%   | 26%         | £1,289                 | £865   | £1,403  | £1,780      |
| Store card         | 11%              | 10%   | 11%   | 11%         | £1,041                 | £896   | £1,086  | £1,240      |
| Payday loan        | 10%              | 9%    | 11%   | 8%          | £1,449                 | £1,185 | £1,525  | £1,487      |
| Any unsecured debt | 91%              | 89%   | 92%   | -           | £12,011                | £6,916 | £13,623 | £16,874     |

Notes: StepChange client data analysis from StepChange Statistics Yearbook 2025.

**Table 3.3 – Rates and levels of arrears, for 18-34 year-olds compared with all StepChange clients**

| Household bill        | % in arrears |       |       |             | Average amount of arrears |        |        |             |
|-----------------------|--------------|-------|-------|-------------|---------------------------|--------|--------|-------------|
|                       | All 18-34    | 18-24 | 25-34 | All clients | All 18-34                 | 18-24  | 25-34  | All clients |
| Energy                | 40%          | 44%   | 39%   | 37%         | £2,283                    | £1,582 | £2,461 | £2,560      |
| Council tax           | 37%          | 42%   | 36%   | 33%         | £1,841                    | £1,303 | £1,960 | £2,137      |
| Water                 | 25%          | 29%   | 25%   | 22%         | £1,046                    | £615   | £1,144 | £1,328      |
| Rent                  | 17%          | 19%   | 16%   | 18%         | £2,164                    | £2,000 | £2,219 | £2,372      |
| Mortgage              | 10%          | 11%   | 10%   | 16%         | £5,155                    | £3,604 | £5,264 | £12,534     |
| TV Licence            | 3%           | 4%    | 3%    | 3%          | £140                      | £128   | £143   | £122        |
| Any household arrears | 40%          | 33%   | 42%   | 44%         | £3,409                    | £2,488 | £3,648 | £4,345      |

Notes: StepChange client data analysis from StepChange Statistics Yearbook 2025. 'Any household arrears' includes: dual fuel, electricity, gas, council tax, water, rent, mortgage, TV licence, and ground rent/service charges.

## 4 How do young adults try to navigate their way out of debt?

This chapter explores young adults' views and experiences of getting information and advice to deal with money and debt issues in a digital-first world. It shows that young people face the same emotional and psychological barriers to getting debt help as their older counterparts.

### Sources of information on money matters

Eight-in-ten (84%) young StepChange clients had accessed information or advice about money, credit or debt in the time before they contacted StepChange. As Figure 4.1 shows, the most useful source of information were websites with guidance about money (used by 63% of information-seekers); online forums (23%); and apps or digital tools (22%). One-in-four (25%) of survey respondents said they had used AI assistants to get information or advice prior to contacting StepChange, and found it fairly useful on average. We explore AI use in more detail below.

Half of survey respondents (48%) cited family as source of information, but this scored less highly in terms of usefulness. While some clients we interviewed had opened up to family members about their financial difficulties for *emotional* support, they did their own research or sought expert help in terms of the technical or practical aspects of their debt problems. As 25-year-old Esther described:

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*'My mother, especially with finances, she's not particularly literate herself in finances, so I wouldn't go to her for advice... I've probably made similar mistakes as she has, but I'm trying to avoid those in future, so I wouldn't want to, like, ask her for advice on things like that'. (StepChange client interview, Woman aged 25)*

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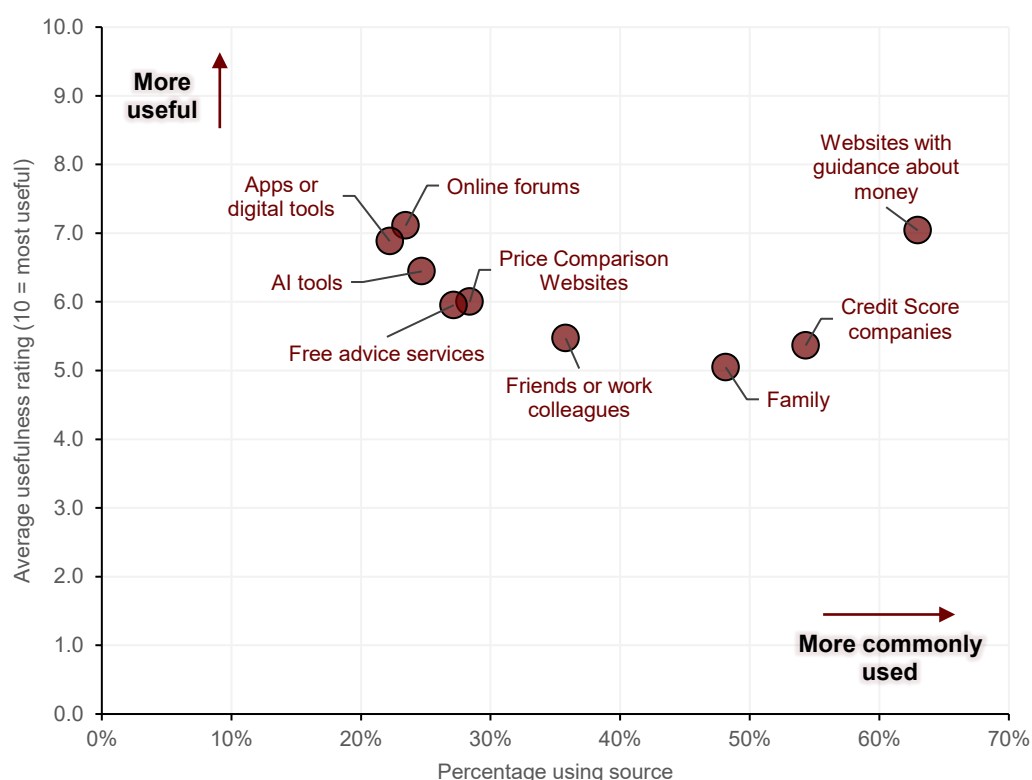
While young adults aged 18-34 are heavy consumers of social media (Ofcom, 2025), only two-in-ten (19%) of information-seekers in our survey said they used social media for money-related issues before they contacted StepChange – which echoes earlier research with 18-24 year-olds (StepChange, 2024). Clients who did use social media found it useful, as 27-year-old Sally described:

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*'A huge reason for why I actually accepted that I needed the help was a couple of influencers that I followed [on Instagram], who were very open about their debt and their journey to being debt-free, and they weren't that much older than me. But sort of seeing them be really transparent about it made me feel less shameful about it... Other people got in debt. And they've dealt with it.' (StepChange client interview, Woman aged 27)*

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**Figure 4.1 – What sources of advice and information do young StepChange clients use? And how useful do they find each source? (Only sources with >20% usage are shown.)**



Notes: StepChange Client survey. Sample size: 81 (who had used any source of advice/info).

The top three factors for our survey respondents (from a list of 10) in deciding whether to follow money-related advice were:

1. **It's relatable:** 43% picked the statement "You receive advice or information that feels relevant to your specific situation" – as exemplified by the respondent quote below.
2. **It's regulated:** "You see evidence that they are regulated/approved by the Financial Conduct Authority (FCA) (33%). In contrast, only 9% picked the statement "You see evidence of their qualifications or expertise".
3. **It's understandable:** "The person or organisation uses jargon-free language or explains what terms mean" (29%).

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*"They provide actual advice that is not "stop buying coffee every day.""*  
*(Survey respondent)*

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We also asked survey respondents about their views of financial services more generally, using a series of descriptors including 'Helpful if I encounter any issues'. Banks (both high-street and digital-only) generally fared better on this feature than credit card providers and BNPL providers. By comparison, digital-only banks and BNPL firms came top in terms of ease-of-use; while traditional banks score highest for being safe and reliable.

## AI as a source of information and advice on money matters

In our YouGov polling, we asked UK adults what financial issues they would potentially be willing to use artificial intelligence (AI) for, such as ChatGPT, Copilot, Claude, or other AI tools.<sup>1</sup>

Table 4.1 shows the findings. Given that younger adults are seen as ‘digital natives’, it seems surprising that four-in-ten (43%) of 18-34 year-olds said they would not be willing to use AI for any financial tasks. The figure was even higher for 18-24 year-olds (51%), which was close to the population average (49%). A potential explanation is that 18-24s have relatively simple financial affairs (e.g. they are not responsible for household bills) and so have less need to conduct financial tasks.

In contrast, 25-34 year-olds (30%) and 35-49 year olds (29%) were more likely to say they would use AI for financial tasks such as general budgeting advice (compared to 20% of the population as a whole). These groups were also most willing to use AI across the range of financial tasks asked about – possibly because these age groups have more complex financial lives and face dealing with more of the financial tasks we asked about.

**Table 4.1 – What financial tasks are different age groups willing to use AI for?**

| Financial tasks willing to use AI for                                     | All ages | 18-24 | 25-34 | 35-49 | 50-64 | 65+   | 18-34 | 18-64 |
|---------------------------------------------------------------------------|----------|-------|-------|-------|-------|-------|-------|-------|
| Comparing financial products                                              | 25       | 19    | 29    | 31    | 25    | 17    | 25    | 27    |
| Understanding the terms and conditions of a financial product             | 23       | 24    | 26    | 28    | 24    | 13    | 25    | 26    |
| Writing to a company                                                      | 21       | 12    | 22    | 28    | 23    | 14    | 17    | 23    |
| General budgeting advice                                                  | 20       | 22    | 30    | 29    | 16    | 8     | 27    | 24    |
| Personalised budgeting advice based on your own financial data            | 14       | 12    | 19    | 20    | 14    | 5     | 16    | 17    |
| For advice on how to invest your money                                    | 13       | 13    | 16    | 18    | 13    | 7     | 15    | 15    |
| Working out how best to deal with your debts                              | 11       | 11    | 17    | 17    | 9     | 3     | 14    | 14    |
| Not applicable - I would not be willing to use AI for any financial tasks | 49       | 51    | 38    | 37    | 50    | 66    | 43    | 43    |
| Don't know                                                                | 8        | 9     | 9     | 9     | 7     | 5     | 9     | 8     |
| <i>Unweighted sample size</i>                                             | 4,203    | 331   | 498   | 1,036 | 1,228 | 1,110 | 829   | 3,093 |

Notes: YouGov nationally representative survey. Figures shown are column percentages.

<sup>1</sup> ChatGPT, Copilot, Claude are AI assistants (or chatbots) that are powered by Large Language Models (LLMs). A Large Language Model is “an AI system trained on massive amounts of text data to understand and generate human-like language. It uses deep learning techniques, specifically neural networks with billions of parameters, to predict and produce coherent text, answer questions, translate languages, write code, and perform various other language-based tasks.” (Stanford University Human-Centered Artificial Intelligence, no date).

We asked a similar question about AI use in our survey of young StepChange clients, focusing on debt-related financial tasks. Respondents were generally open to the idea of using AI tools to help with tasks such as writing letters to a company you owe money to (44%); general budgeting advice (41%); personalised budgeting advice based on your own financial data (35%); and working out how best to deal with your debts (33%). Some interviewees had used AI assistants to get initial ideas on financial matters before doing their own research; one used an AI assistant to draft a complaint letter to a lender.

That said, a quarter (26%) of survey respondents said they wouldn't use AI at all for any purpose – and in the interviews, clients often expressed considerable scepticism or concerns about using AI generally and for financial matters, as Benjamin described:

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*I wouldn't want to support some of these people and institutions, and what they've been used for, and how they're being used. at the moment... and frankly, I don't think it's good for somebody with mental health and impulsive issues to have something that's going to be agreeable artificially.*  
(StepChange client interview, Man aged 34)

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These findings broadly align with other research on the general population's views about using AI for personal finance, where the potential benefits are weighed against concerns such as misuse of personal and financial and lack of protection if something goes wrong (Yonder, 2026).

## Debt journeys within financial services

As discussed in Chapter 3, consumer credit debt from banks or other lenders was typically the main or sole issue that young people aged 18-34 contacted StepChange about. One-in-five (19%) of young StepChange survey respondents said they had sought advice or information from banks or other lenders prior to contacting StepChange; this scored less well than other sources in terms of usefulness (mean score 4.8 out of 10).

Prior to contacting StepChange, the clients we interviewed generally did not regard their creditors as a natural source of information or help with debt problems. There were many different reasons underpinning this perception (sometimes co-occurring), which had psychological and emotional roots as well as clients simply not knowing how lenders might be able to help. These reasons included:

- **Fear that credit lines would be cut off:** Having already had one credit card company close her account because she had only been making minimum payments for a long period of time, Kiera, a 33-year old working mum, was terrified that other card firms would do the same if she contacted them, as she described, *'that's devastating to be cut off, where, like, I needed that money.'*
- **Pride and shame:** It was common for young StepChange clients to express feelings of shame about having debt problems, or else feel they should be able to sort them out themselves, which meant they delayed asking for help. As 27-year-old Sally explained: *'I'm an adult, and I should be able to get myself out of it... I'm good with numbers as well, which sort of added a whole other layer of shame, of I shouldn't be like this, because I'm really good with numbers.'*

- **Denial:** In hindsight, some clients recognised they had been in denial about the poor state of their finances, holding on to the belief that they were managing OK way beyond the point they really needed help. This could also be tied up with a sense that their financial difficulties weren't 'bad enough' to warrant help. As 33-year-old Gaby put it: *'I want to say I had the blinders [blinkers] on, but I wasn't worrying about it too much because in my head I was like, I've got a plan that's getting paid off and then it was like...talking to my sister. It was like, that plan was never going to work.'*
- **Not knowing what help you can ask for:** A few interviewees felt they would have asked their creditors for help, such as requesting a 'breathing space' (temporary protection from creditor action), if they had known this was an option, as 32-year-old Karl explained: *'I didn't know that you could just... do the sort of self-negotiation, talk to them, and change the payment terms and stuff.'*

In cases where interviewees had contacted their lenders for help before speaking to StepChange, positive experiences included being reassured by lenders that the debt could be sort out, which helped alleviate stress and anxiety; setting up breathing space; or reducing debt repayments for a period of time.

Experiences that frustrated interviewees included lenders only ever offering 30-day breathing space, after which time debt letters and emails began again even though their financial situation had not changed; credit limits being automatically increased at the end of a period of breathing space; and lenders signposting directly to third parties rather than offering any help themselves, as Mila described:

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*'I think contacting the creditors wasn't helpful at all. You get like these emails... "We're here to help you get in contact with us if you're going through financial vulnerability" and you'd contact them, you'd get through to someone and all they do is signpost you to a charity, but your e-mail says that you're there to help me, not direct me to a third party?'*  
(StepChange client interview, Woman aged 21)

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If they did engage with creditors about debt problems, interviewees wanted to be treated like a person rather than a balance on a system – as one survey respondent put it, *'Being seen as a person with circumstances and not just a checklist'*.

This meant proactive, individualised contact e.g. checking-in via a banking app when financial stress was visible with an empathetic, human-sounding message, rather than automated or template communications. And while most interviewees appreciated the advantages of digital and self-serve approaches<sup>2</sup> – such as convenience and anonymity – there was a desire for 'digital-first but not digital-only', with the option to speak to a 'real person' without having a long wait on the phone or an even longer wait to speak to someone in branch. One interviewee, 26-year-old Anna, articulated her frustrating experience trying to speak to her bank in person about her overdraft debt:

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<sup>2</sup> Almost all StepChange clients (87% in 2025) first contact the charity online rather than by phone (13%), and this does not vary a great deal by age. Other data shows that around six-in-ten (57%) of debt advice users in 2024 had used an online channel (FCA, 2025).

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*'I just find face-to-face so much easier. And I felt like they could help me more rather than like a lot of the time when I've been on the phone, they've not really understood what I'm trying to do. And like, it's just not really worked out very well for me. And it took me a month to get an appointment in the bank branch.'* (StepChange client interview, Woman aged 26)

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Other interviewees similarly felt that, when dealing with an emotional, stressful and complex issue like debt, the option for a human connection was important.

# 5 Financial futures

This study highlights that, even before they reach their mid-30s, young StepChange clients have navigated a wide range of life experiences. This final chapter looks ahead to their financial goals in the next 3-5 years and the support they needed to achieve them.

## Financial confidence in the short term

The young StepChange clients in our survey had first contacted StepChange sometime in the previous 12 months, and so were all at different stages in terms of resolving their debt problems.

Even so, six-in-ten (59%) felt confident that they would be able to make ends meet in the next six months, either every month (26%) or most months (33%). The other four-in-ten were less confident, either feeling they would only be able to make ends meet some months (26%) or not at all (14%). In the words of one survey respondent: *'I work all the hours but yet my take home just about covers the basics and my debt.'*

Even while young people were grateful to be in a financially more stable situation as a result of expert debt advice, it could also come with regrets about debt stopping them getting on with their lives, as Max described below.

### Max's debt journey

Max has just turned 30, works full-time in education and lives with his parents. His debt journey began at university when he took up the offer of a 0% student overdraft and credit card. As he could only work part-time while studying for his degree, he used credit to live on. The interest on his student debt began climbing after he graduated, along with new lines of credit as he moved into work. Five years on, he took out a personal loan to consolidate his debts but was still using credit, eventually nearly doubling his debt.

Having first sought medical help for depression, Max eventually opened up about his debt problems to his partner. As he explained: *'I needed to get my mental health in check before I could do the money side of things, but I couldn't have done both at the same time.'* From there, he did some online research about what to do and applied online to StepChange, which led to him setting up a Debt Management Plan.

While his financial situation has stabilised, he feels his life is hold while he pays off his debt: *'Most of my friends are buying their own homes, having really nice weddings and stuff, and I'm like, I'm nowhere near that yet, because I can't afford it... that's where I feel like it's had most of an impact now... it feels like it's put my life on hold for a while.'*

## Financial goals for the future

For almost all (90%) of StepChange clients in our survey, the main financial goal for the future was to become debt free (if they had not already). Other important goals were managing to afford basic living expenses month to month (62%) and building a small savings pot for unexpected expenses (63%). In other words, their goals focused on achieving some modest financial stability that previous generations may have been able to take for granted (Beams and Surry, 2026).

When asked what would help them achieve their financial goals, common themes included:

- Relief against cost of living pressures.
- Flexible work, either to help manage health conditions or to fit in with childcare responsibilities.
- Improved financial knowledge, for example, around budgeting or saving strategies or, in Phoebe's case below, being able to get expert help before financial worries escalated into a full-blown debt crisis.

### Phoebe's debt journey

Now aged 29, Phoebe first used a credit card in her early 20s to pay for a holiday. She has had a couple of spells of financial difficulty since then, the most recent when she and her partner moved into a rented home. As they are both in relatively low-paid work, they ended up using credit cards to keep up with their household bills, but fell into arrears when they finally maxed out their cards. At that point, they got in touch with StepChange on the advice of a family member, and now have a plan to repay their utility and rent arrears.

Phoebe and her partner's main goal for the next three years is to clear their debts and build up some savings, with the aid of careful budgeting: *'Well, hopefully by that point sort of everything will be cleared. So I just hope that we're not behind on anything and that everything's sort of on a level... I think we just need to budget more. And then sort of once we finish [StepChange], try and put away the money that we would have been paying them.'*

To achieve this, Phoebe would really value knowing where to go for help if she started to worry about falling behind again: *'... if you feel that you're going to fall behind, somewhere you can go to be proactive before you get behind like some advice in that kind of realm.'*

Based on our YouGov polling, Figure 5.1 shows that young StepChange clients' financial aspirations were very aligned with what their peers in the general population had already achieved or were on track to do.

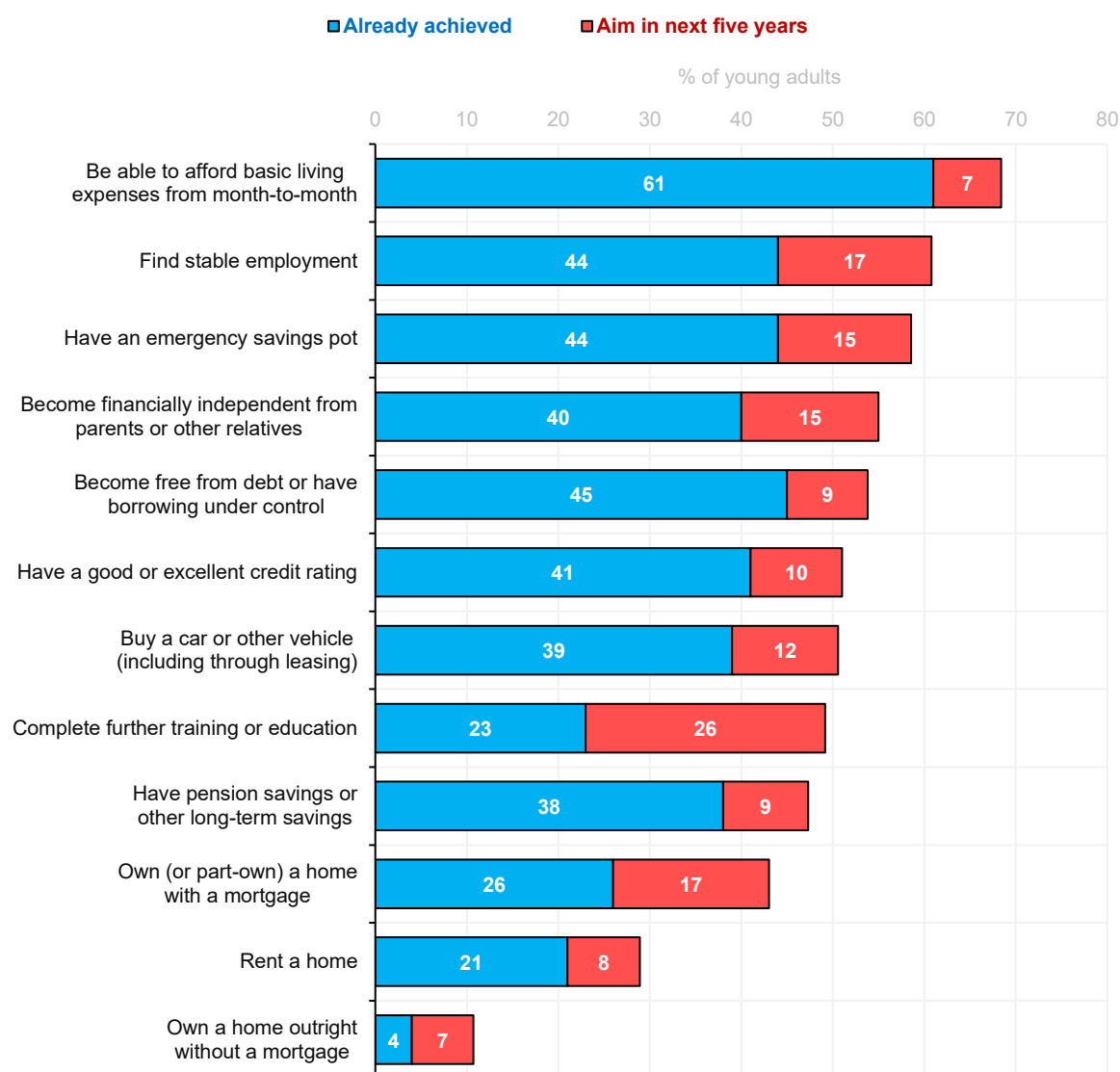
Encouragingly, six-in-ten (61%) of all 18-34 year-olds in the UK say they are already able to afford basic living expenses from month-to-month, and a further 7% hope to achieve this in the next five years. Nearly half (45%) said they were already debt-free or had their borrowing under control; and a further one-in-ten (9%) aimed to do this in the next five years. Likewise, four-in-ten (44%) already had an emergency savings pot, with one-in-seven (15%) looking to achieve this in the future.

From Figure 5.2, we see that (aside from a higher income or lower living costs), young adults (and especially 25-34 year-olds) were most enthusiastic about extra incentives to save as a means to help them reach their financial goals. There was also appetite - particularly among

18-24 year-olds - for more or clearer information about savings and investment products and access to financial advice or guidance.

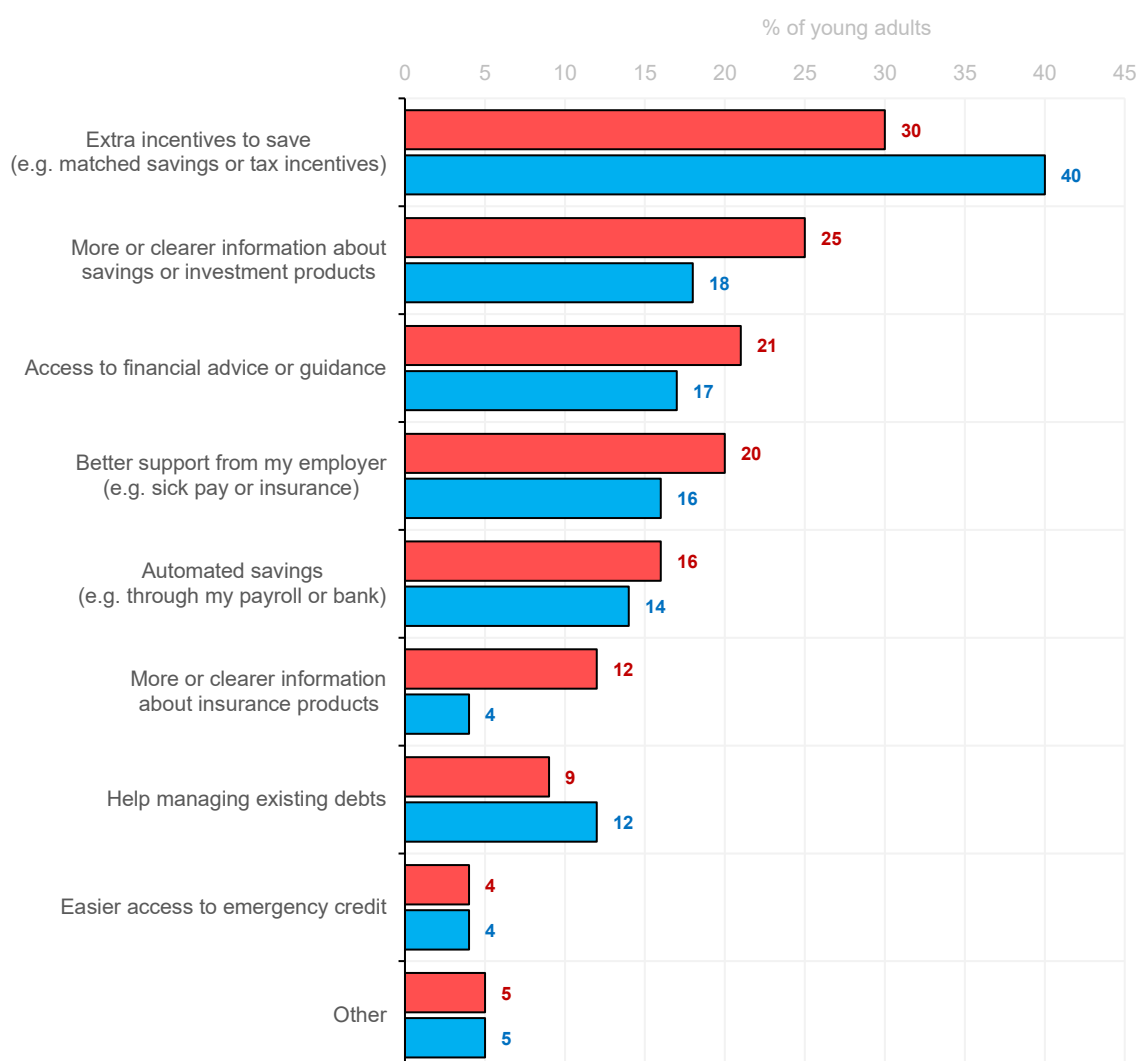
However, it is also worth noting that a quarter (24%) of young adults did not know what support they would like to help them achieve their financial goals – which suggests they might benefit from some help to identify their goals and plan towards them in more detail.

**Figure 5.1 – Which of their financial goals have 18-34 year-olds **already achieved** and which do they **hope to achieve in the next five years**?**



Notes: author analysis of YouGov nationally representative survey. Unweighted sample size: 829 young adults aged 18-34.

**Figure 5.2 – What support would 18-24 and 25-34 year-olds like to see to help them achieve their financial goals (other than having a higher income or lower living costs)?**



Notes: YouGov nationally representative survey. Unweighted sample sizes: 331 (18-24 year-olds); 498 (25-34 year-olds).

## Final reflections

This study has looked beyond generational labels to understand the factors that shape the financial lives and experiences of 18-34 year-olds and their potential financial futures. The experience of StepChange clients shows how - from a young age - financial fragility can escalate at a worrying rate, especially when consumer credit is used to respond to rising costs. The findings highlight the pressing need for relief from high living costs for 18-34 year-olds, coupled with support to build financial resilience over the longer term that reduces the risk of future financial difficulties.

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# APPENDIX

Below we describe the various data sources used within this report and the methodologies we employed. The survey questionnaires and interview topic guide are available on request.

## **Analysis of StepChange client data**

StepChange provided the research team with anonymised data for 71,000 StepChange clients aged 18-34 who had accessed advice from the charity in 2025. The characteristics of this group are given in Appendix Table 1 (along with a comparison of our client survey, described below). Analysis included cross-tabulations of different variables and production of descriptive statistics for continuous variables (such as income, budget surplus and debt levels). In some cases, we derived variables by combining certain groups; for example, where sample sizes were too small to look at groups individually, or where there was a conceptual justification for combining two groups (for example, combining 'reduced income or benefits' with 'unemployment or redundancy' as a reason for debt, as the former is potential synonymous with the latter).

## **Online survey of StepChange clients**

Together with StepChange, we developed a short online survey of StepChange clients aged 18-34. The survey covered a variety of topics including: family situation growing up, work, education and housing histories (since age 16), financial difficulties experienced, first use of credit, sources of information and advice about money used, views on financial services, and aims for the future. Fieldwork took place between 7<sup>th</sup> July to 17<sup>th</sup> August 2026.

StepChange emailed a link to the survey to 37,441 clients aged 18-34 who had completed advice either in June 2026 or in the previous 12 months. Two-to-three email reminders were sent to encourage responses. A total of 167 clients started the survey and completed at least one question, representing a response rate of 0.4%. While this is a low response rate, it is not an uncommon challenge for online surveys of younger adults – especially for surveys, like this one, that do not offer any monetary incentive to participate.

Survey responses were matched to several fields from StepChange's client data (and then anonymised), allowing us to broadly compare the profile of respondents with that of all StepChange clients aged 18-34 (see Appendix Table 1) – although it should be noted that the time period covered is slightly different. The final sample, after those with significant non-response had been removed, was 132, with most questions achieving at least approximately 100 responses. With this level of response, we would expect a margin of error of about 10%.

While the client survey sample is broadly representative on many variables, we do note that it skews a bit older (aged 31-34, rather than under 30s) and contains more employed respondents. The rate of homeownership and those with incomes over £2,500 is therefore slightly higher than the overall client population.

**Appendix Table 1 – Profile of StepChange client survey respondents, compared with all StepChange clients aged 18-34 in 2025**

| Characteristics         |                                                        |       | Data source      |                    |
|-------------------------|--------------------------------------------------------|-------|------------------|--------------------|
|                         |                                                        |       | Survey (2025-26) | Client data (2025) |
| All respondents         | Total                                                  | Col % | 100%             | 100%               |
|                         | <i>n</i>                                               |       | 132              | 71074              |
| Age group               | 18-25                                                  | Col % | 24%              | 31%                |
|                         | 26-30                                                  | Col % | 28%              | 37%                |
|                         | 31-34                                                  | Col % | 48%              | 32%                |
|                         | <i>n</i>                                               |       | 132              | 71074              |
| Gender                  | Male                                                   | Col % | 34%              | 37%                |
|                         | Female                                                 | Col % | 66%              | 62%                |
|                         | <i>n</i>                                               |       | 103              | 58174              |
| Family composition      | Single Without Children                                | Col % | 53%              | 44%                |
|                         | Single With Children                                   | Col % | 12%              | 28%                |
|                         | Couple Without Children                                | Col % | 18%              | 10%                |
|                         | Couple With Children                                   | Col % | 18%              | 17%                |
|                         | <i>n</i>                                               |       | 120              | 70945              |
| Housing tenure          | Owned                                                  | Col % | 18%              | 9%                 |
|                         | Private rented                                         | Col % | 43%              | 34%                |
|                         | Social rented                                          | Col % | 18%              | 25%                |
|                         | Living with family / other                             | Col % | 21%              | 32%                |
|                         | <i>n</i>                                               |       | 120              | 70948              |
| Employment status       | Full-time employed                                     | Col % | 61%              | 46%                |
|                         | Part-time employed / zero hours contract               | Col % | 16%              | 17%                |
|                         | Unemployed or not working due to illness or disability | Col % | 23%              | 33%                |
|                         | <i>n</i>                                               |       | 116              | 70941              |
| Channel first contacted | Telephony                                              | Col % | 13%              | 10%                |
|                         | Online Self-Service                                    | Col % | 88%              | 90%                |
|                         | <i>n</i>                                               |       | 120              | 71074              |
| Budget group            | Negative budget                                        | Col % | 17%              | 24%                |
|                         | Positive (or even) budget                              | Col % | 83%              | 76%                |
|                         | <i>n</i>                                               |       | 120              | 71074              |
| Monthly income          | Under £1,500                                           | Col % | 30%              | 36%                |
|                         | £1,500 - 2,499                                         | Col % | 44%              | 45%                |
|                         | £2,500 plus                                            | Col % | 26%              | 18%                |
|                         | <i>n</i>                                               |       | 120              | 71074              |

## Semi-structured interviews with StepChange clients

As part of the client survey, participants were asked if they wished to be invited to participate in a semi-structured interview about their experiences. In total, 20 young adults were interviewed, with each interview taking approximately 45 minutes. As a thank you for their time and input, participants received a £50 gift voucher for a retailer of their choice. Interviews took place over phone or video call and the audio was recorded for transcription purposes. These transcripts were then analysed for key themes.

**Appendix Table 2 – Interview sample characteristics**

| Characteristics |                     | Number |
|-----------------|---------------------|--------|
| Age group       | Under 25            | 3      |
|                 | 25-29               | 5      |
|                 | 30-34               | 12     |
| Sex             | Female              | 13     |
|                 | Male                | 7      |
| Housing tenure  | Rent                | 11     |
|                 | Own with a mortgage | 4      |
|                 | Other               | 5      |
| Work status     | Working full-time   | 12     |
|                 | Working part-time   | 2      |
|                 | Not working         | 6      |

## **Nationally representative polling**

To collect some data for a wider group of young adults – not just those in financial difficulty – StepChange commissioned YouGov to undertake nationally representative polling of 4,200 UK adults, including 829 young adults aged 18-34. Five questions were asked, covering current financial situation and future goals, willingness to use AI for different financial tasks, potential support needs, and impact of the pandemic on different aspects of life.

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 4,203 adults. Fieldwork was undertaken between 31st August - 2nd September 2026. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+).

This survey was conducted using an online interview administered to members of the YouGov Plc UK panel of 400,000+ individuals who have agreed to take part in surveys. An email was sent to panellists selected at random from the base sample according to the sample definition, inviting them to take part in the survey and providing a link to the survey. YouGov Plc normally achieves a response rate of approximately 20% dependent upon the subject matter, complexity and length of the questionnaire. The responding sample is weighted to the profile of the sample definition to provide a representative reporting sample. The profile is normally derived from census data or, if not available from the census, from industry accepted data.

YouGov plc make every effort to provide representative information. All results are based on a sample and are therefore subject to statistical errors normally associated with sample-based information.

