

March 2009 Consumer Confidence Briefing

The monthly UK Consumer Confidence Barometer undertaken by GfK NOP on behalf of the European Commission is up 5 points at -30 month-on-month and down 11 points on a year ago.

Confidence improved in all 6 regions on the month. Biggest rise in confidence is in the North and Wales, up 6 points to -28 and -30 respectively. Confidence improved by 5 points in the Midlands to -30 and by 4 points in the South to -31. Smallest increases in sentiment are in Northern Ireland, up 2 points to -33 and in Scotland, up 1 point to -32.

Of the five measures making up the barometer:

- The financial situation of households over the past 12 months measure is up 1 point on the month at -17. It is down 13 points on March 2008.
- The expected financial situation of households over the next 12 months is up 2 points at -6 on the month and is down 10 points compared to a year ago.
- The general economic situation in the UK over the past 12 months measure is up 7 points at -75 compared to February. It is down 32 points year-on-year.
- The general economic situation in the coming 12 months measure is up 9 points at -31 on the month and up 1 point on March 2008.
- The measure of consumer sentiment to making major purchases in the current general economic situation is up 1 point to -23 month-on-month and is down 2 points year-on-year.

The survey also asks other questions about spending and saving. Respondent expectations of spending on major purchases in the next 12 months compared with the previous 12 months is up 4 points at -36 on the month, and is down 13 points on a year ago.

Peoples' perception of the saving climate is slightly better in March. The mean measure is up 2 points at -23 on the month, but down 48 points year-on-year. The proportion of people regarding it as a good time to save rose slightly on the month (up from 34% to 35%).

Currently 45% of households are saving, down from 47% in February and down from 49% a year ago. In the next 12 months 49% of adults say they are likely to save, up from 48% in February and down from 58% a year ago.

85% of respondents expect unemployment to rise in the next 12 months compared to 87% in February and 56% a year ago. The measure of inflation expectations worsened to 0.48 from 0.40 in February but improved by 36 points compared to a year ago (0.84).

The JGFR March UK Consumer Confidence Monitor is published on Wednesday April 8th 2009.