Outlook on future economic situation bleak - Nationwide Consumer Confidence Index

Contributed by TNS
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Consumer confidence in the UK fell to a new record low in June, dropping by four points to 61, according to the findings of the Nationwide Consumer Confidence Index conducted by TNS. The biggest contributor to the drop in confidence is consumer sentiment about the future economic situation. With rising inflation rates, weaker economic growth and further falls in house prices, it is not surprising the over half of all Brits believe the future holds little to be hopeful about.
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The top line findings for June show:

Consumers are worried about their household income, with only 16 per cent believing that it will be higher in six months time. This represents a 5 per cent drop from last month's figure.

A third of consumers will not buy major household goods in the current economic climate. The figure is up from only 48 per cent at this time last year. A relatively high 20 per cent of consumers also believe it is a bad time to buy basic household goods - up from 6 per cent last June.

Despite the economic outlook, consumers don't appear to be concerned about the availabiliy of jobs. However, Nationwide predicts that this is likely to change over the coming months.

The Consumer Confidence Index uses 100 as its baseline figure - the level of consumer confidence in May 2004.Â All indice figures reflect an increase or decrease in confidence in relation to the benchmark of 100.Â