GfK NOP Consumer Confidence Barometer Oct 2008

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Consumers brace themselves for a recession.

2008
The GfK NOP Index has dropped back to the -36 level seen in August.Â Â
Confidence in "now being a good time to saveâ€• has seen a drop of nine points.
Confidence in the general economy over the last 12 months has dropped ten points.Â Â
Confidence in now being a good time to make major purchases such as furniture or electrical goods has also dropped eleven points to -43, the lowest on record.

Rachael Joy in the Consumer Confidence team at GfK NOP commented:

â€œThe index score this month has returned to the level we saw in August. The turmoil surrounding the banking world and subsequent turbulence in the financial markets is making for an uncertain time. Consumers are not at all confident about buying major purchases as rising food and energy bills leave them increasingly worried about keeping up with payments, and saving has also seen a considerable drop, possibly due to fears of the safety of savings, as well as straightened resources as household bills increase. Even the reduction of the interest rate and lower petrol prices are unlikely to have a significant affect on confidence in the upcoming months as Consumers brace themselves for what they see as a very difficult economic time over the Christmas period ahead.â€•Â UK Consumer Confidence Measures â€“ October 2008 The overall index score this month has decreased four points to -36, twenty-eight points lower than this time last year. This decrease has been caused by a drop across three of the five measures. The annual moving average has dropped to -24.Â Personal Financial SituationThe index measuring changes in personal finances during the last year improved by one point to a score of -18; this is twenty points lower than this time last year. Â The forecast for personal finances over the next year has dropped by one point to a score of -12. This is also twenty-five points lower than October â€™07. General Economic Situation The measure for the general economic situation of the country during the last twelve months has dropped by ten points to a score of â€“72; this is a massive forty-two points lower than this time last year. Â Expectations for the general economic situation over the next twelve months have risen by three points to -37; twenty points lower than October â€™07.Â Climate for Major PurchasesThe major purchases measure has dropped by eleven points, from -32 to -43; this is thirty-eight points lower than this time last year. This is the lowest score since GfK NOP records began for this measure in 1982. Savings Index The â€˜now is a good time to saveâ€™ Index, has fallen by nine points to +9, this is twenty-nine points lower than October â€™07.