Election Woes Affecting Confidence?

Contributed by GfK NOP
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Consumer Confidence Barometer (May 2010)

* The GfK NOP Consumer Confidence Index dropped by two points this month to -18. This is the fourth month in a row that we have seen the overall confidence level drop; and is at a similar level to early 2008 when Northern Rock was nationalised.

* Confidence in their personal financial situation in the last 12 months and confidence in the â€œgeneral economyâ€• over the last 12 months both increased in May.

* May saw decreases for both confidence in their personal financial situation in the next 12 months, and confidence in the â€œgeneral economyâ€• over the next 12 months.

* The â€˜major purchase Indexâ€™ also decreased by one point this month to -21.

Nick Moon, MD of GfK NOP Social Research, comments:
â€œThese figures are clearly not good news for the coalition government, especially with mounting speculation about double dip recession. With considerable cuts in public spending, plus higher taxes on the way, it is hard to see the confidence index improving significantly in the near future. Most worryingly, the biggest drops in the component parts of the index were in expectations for the next 12 months for the country as a whole and for consumers themselves.â€•

UK Consumer Confidence Measures â€“ May 2010
The overall index score this month dropped by two points to -18, nine points higher than this time last year.

Three of the five measures this month decreased with the remaining two measures increasing. The annual moving average increased in April, and is now -19.

Personal Financial Situation
The index measuring changes in personal finances during the last year has increased by one point this month to -13; this is six points higher than this time last year.

The forecast for personal finances over the next year decreased by five points to a score of -3, this is two points lower than May â€˜09.

General Economic Situation
The measure for the general economic situation of the country during the last twelve months has risen by two points to â€“45; thirty four points higher than this time last year.

An expectation for the general economic situation over the next twelve months has decreased by eight points to -9, seven points higher than May â€˜09.

Climate for Major Purchases
The major purchases measure has dropped by one point this month to -21; one point higher than this time last year.

Savings Index
The â€˜now is a good time to saveâ€™ Index, has increased two points to -5, which is eleven points higher than May â€˜09.

About the survey
- The UK Consumer Confidence Survey from GfK NOP was conducted amongst a sample of 2002 individuals aged 16+ on behalf of the European Commission.

- Quotas are imposed on age, sex, region and social class to ensure the final sample is representative of the UK population.

- Interviewing was carried out during 30th April â€“ 16th May 2010.

- The figures contained within the Consumer Confidence Barometer have an estimated margin of error of +/-2%

- Results for the Consumer Confidence Barometer are available on the last working day of each month at 00.01am the next release is Wednesday 30th June 2010.

- Any published material requires a reference to both GfK NOP and the European Commission e.g. â€˜Research carried out by GfK NOP on behalf of the European Commissionâ€™.

- This study has been running since 1974. Back data is available from 1996. Â

- Want to know even more? ~ Annual subscriptions are also available for Â£1,775 plus VAT.

The table below provides an overview of the questions asked to obtain the individual index measures:Â Â

About GfK NOP
For more information please visitÂ http://www.gfknop.com/
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