August Sees Further Drop In UK’s Consumer Confidence

Contributed by GfK NOP
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The GfK NOP Consumer Confidence Index has dropped one point this month to -31.

Nick Moon, Managing Director of GfK NOP Social Research, comments:
â€œThe index has fallen for the third month in a row and consumer confidence is down to -31 - where it was in April this year. Previously, it had only been as low on two other occasions - during the downturn of 2008 and 2009 and in the turbulent early months of 1990. On both occasions the decline in consumer confidence mirrored a slide into recession.

"With an increasing number of indicators suggesting the economy is either stagnating or returning to recession, the continuing loss of consumer confidence is a major worry for the government. However, while there has been a 4-point drop in consumers' general view of the economic situation over the next 12 months, there has been a small improvement in how they view their own financial situations, indicating people are starting to adapt to the austere economic climate."

UK Consumer Confidence Measures â€“ August 2011
The overall index score this month has decreased by one point to -31, thirteen points lower than this time last year. Two of the measures saw small increases, two stayed at the same level as July 2011 and one measure decreased this month. The annual moving average drops one point to -25.

Personal Financial Situation
The index measuring changes in personal finances during the last twelve months has increased one point this month to -24; this is twelve points lower than this time last year.

The forecast for personal finances over the next twelve months has increased by one point this month to -11; this is eight points lower than August '10.

General Economic Situation
The measure for the general economic situation of the country during the last twelve months has stayed the same this month at -57; fourteen points lower than this time last year.

An expectation for the general economic situation over the next twelve months has decreased by four points to -31, seventeen points lower than August '10.

Climate for Major Purchases
The major purchases measure has stayed the same this month at -31; which is eleven points lower than this time last year.

Savings Index
The 'now is a good time to save' Index, has decreased three points to -10, which is four points lower than August '10.

About the survey
- The UK Consumer Confidence Survey from GfK NOP was conducted amongst a sample of 2,000 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 5th â€“ 14th August 2011.

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

- Results for the Consumer Confidence Barometer are normally available on the last working day of each month at 00.01am; the release date for September is Friday 30th September 2011.

- 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.

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

About GfK NOP
For more information please visit www.gfknop.com

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