More Borrowers And Savers Favour Staying In EU

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Independent research conducted by GfK* for JGFR finds more people believe the UK economy will be stronger staying in the European Union and that their own financial position will be better by staying in the EU.

There is a large minority of people who are undecided suggesting the need for authoritative facts and figures and what an â€˜Inâ€™ or â€˜Outâ€™ vote will mean for household finances.

The general economic impact

Survey respondents were asked whether they felt the economy would be stronger staying in, leaving the EU or did not know / had no opinion.

Perceived strength of the economy in the EU or outside the EU, March 2016, adults aged 16+

Just over 4 out of 10 adults believe the economy will be stronger staying in the EU, around a third that it would be stronger if the UK left. Just over a quarter have no view. Men are more definite in their views than women; nearly a third of women compared to around a fifth of men have no view.

There is a notable generational divide in the perceived future strength of the UK economy. Around 6 out of 10 under 30s (millennials) expect a stronger economy staying in, while among the over 65s around a half believe the economy will be stronger being out.

More people in the UK workforce believe the economy will be stronger in the EU (49% â€˜Inâ€™ v 27% â€˜Outâ€™), while non-
(excluding students) believe the economy will be stronger out (42% â€˜Outâ€™ v 30% â€™Inâ€™). Far more students believe th
economy will be stronger in the EU (60% â€˜Inâ€™ v 16% â€˜Outâ€™).

Regionally higher proportions of people believing the economy will be stronger in the EU are found in Scotland (56%), London (52%) and Wales (49%). Support for a stronger economy outside the EU is highest in Yorkshire/ Humberside (43%), the East of England (39%) and the East Midlands (38%). In all these regions more people believe the economy will be stronger â€˜Outâ€™.

A feature of the current survey is the cross-analysis with the Q2 UK Financial Activity Barometer** that asks the public about their intended savings, investment and borrowing activity in the next 6 months across some 18 categories of activity.

Perceived stronger economy â€˜Inâ€™ or â€˜Outâ€™ of the EU by intended financial activity, adults aged 16+ March 2016

More of the estimated 35 million adults defined by JGFR as financially active (2+ activities), are found in theâ€™ Inâ€™ camp wi
more of the financially inactive or less active (1 activity) in the â€˜Outâ€™ camp or have no view.

More intending borrowers (57%) than savers/investors (46%), believe the economy will be stronger inside the EU, with far more intended mortgagors (69%) and potential car finance plan borrowers (65%). Over 6 out of 10 people intending putting a deposit on a property to buy are in theâ€™ Inâ€™ camp.

A similar picture is found in responses to whether people believe they / their family will be better off financially to stay in the EU.

The personal impact of staying in / leaving the EU

More people (37% - 44% women v 30% men) do not know / have no opinion about the impact on their own financial position as a result of staying in or leaving the EU, than believe they will be better off â€™ Inâ€™ (35%) or â€˜Outâ€™ (28%).

Perceived impact on personal / family finances of staying in or leaving the EU, March 2016

Over a half of millennials believe their own financial position will be better staying in the EU compared with 38% of the over 65s who believe their financial position would be better out of the EU.

Among the mainly Baby Boomer 50-64 age cohort there is an equal number of better off â€˜Inâ€™ and better off â€˜Outâ€™ respondents; overall among the over 50s there are more people believing they would be better off â€˜Outâ€™ (34%) than â€˜Inâ (26%) .

Most of the 30-49 age-group will be among the workforce, of which 40% believe their financial position will be better â€˜Inâ€™, compared to 25% better being â€˜Outâ€™, and 35% who have no opinion.

There is an education divide with students and graduates both more in the better- off- â€˜Inâ€™ camp (both 48%) than other educated groups (29% â€˜Inâ€™). Graduates are likely to be among top earners (household income of Â£50,000+) with a half o top earners feeling they will be better off â€˜Inâ€™.

Regionally the highest proportion believing they will be better off â€˜Inâ€™ are in Scotland (50%), London (46%) and Wales (44%); in Yorkshire / Humberside (37%), Northern Ireland (36%) and the East

Midlands (32%) more people believe they will be better off â€˜Outâ€™. Most undecided region is the South West (45%).

Financially active people more likely to believe they will be better off â€˜inâ€™ Cross-analysis with the JGFR/GfK Financial Activity

Barometer** shows people who are financially active (defined as undertaking 2 or more saving, investment or borrowing activities) are more likely to feel they will be better off in the EU, with many more (61%) of the â€˜most financially activeâ€™ (6+ activities, some 8 million individuals) feeling they will be better off â€˜Inâ€™.

Intended financial activity and expected personal finances post- Referendum, March 2016

More people who are financially inactive or intend to undertake just 1 activity are more likely to have no opinion (45%) or feel they will be better â€˜Outâ€™ (30%).

Both borrowers (49%) and savers (39%) are united in believing they will be better off â€™Inâ€™ , especially intending mortgago (62%), people taking out a car finance plan (59%) and equity investors (52%).

A minority of people have taken steps to protect themselves financially from Brexit worries

Already a minority of the public have taken steps to protect themselves over an uncertain prereferendum period, especially with overseas summer holidays coming up and the value of sterling falling.

Respondents were firstly asked whether they had bought or intended to buy foreign currency in the run up to the Referendum. Around 1 in 10 of the population indicated they had or intended to, with the highest proportion among the under 30s and self-employed / professional people..

Secondly, respondents were asked whether they had or intended to switch out of sterling assets into non-sterling assets or gold. Only a small minority (8%) had / intended to take this course of action, mainly among people intending to invest in shares (13%), contribute to a lump sum pension (14%) or regular savings scheme (13%), suggesting they already hold investible assets.

Commented John Gilbert, Chief Executive of JGFR:

â€œFinancial considerations will dictate for many people their attitude to the Referendum vote. The more financially active people are, the more they are likely to support an â€˜Inâ€™ vote. Many will be working people, including younger millennials wit new expectations; both the general economic outlook and their own personal finance aspirations suggest being part of the EU strengthens their householdâ€™s financial well-being. Many people still are undecided on their vote; as in last yearâ€™s general election the struggle of getting household finances in order may be something people do not want to put at risk by moving into unchartered waters at a time of great global uncertaintyâ€•

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