

BCI – Financial Optimism Index; April 2013

The Index of British Consumers views on their Personal Financial Prospects

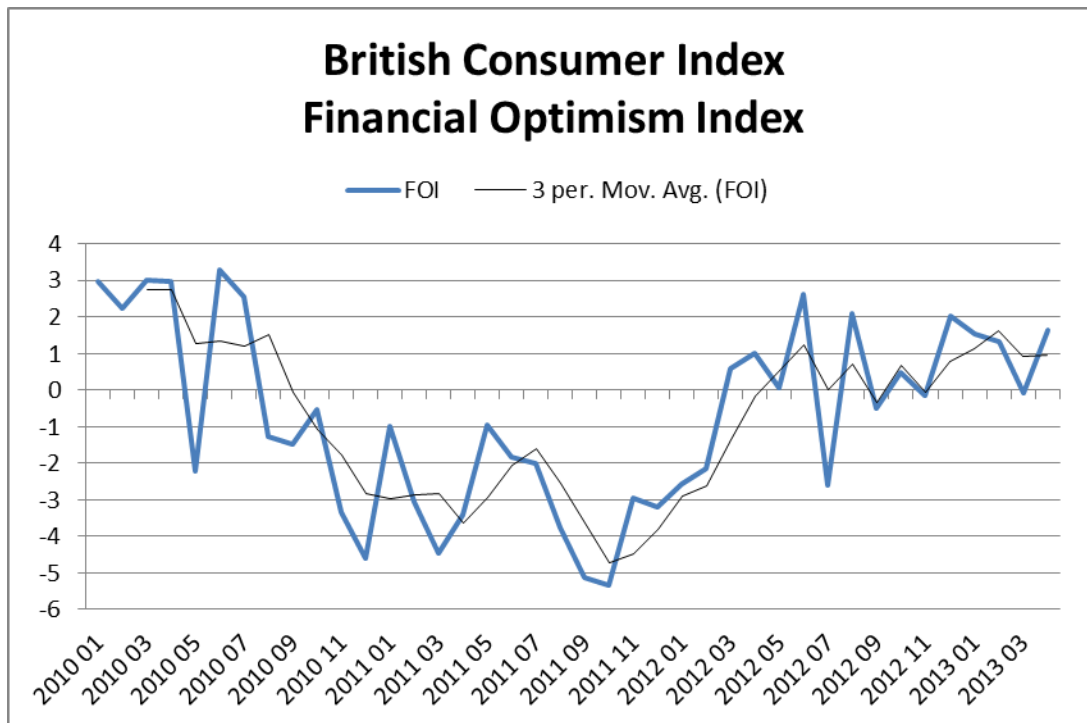
Confidence about Financial Prospects Remains Volatile in April

The British Consumer Index has today (14 May 2013) released the latest Financial Optimism Index.

Overall 84% of people do not think that their financial situation will get any better but, on a brighter note, 86% don't think it will get any worse. 71% think it will stay the same.

In terms of the trend, April saw a rise in the level of optimism although the figures continue the volatile trend which has been in evidence for the last year.

The Financial Optimism Index measures how people think their personal financial situation will change over the next few months.



The recovery in optimism which had been in evidence since November 2011 seems to be continuing to stall with sentiment continuing the volatile trend of the past year.

As ever the overall figure hides considerable differences in different sections of the population.

- If you are under 40 you are more likely to be optimistic
- If you are male you are less likely to think things will remain the same
- London is the most optimistic region
- Urbanites are more optimistic than suburban dwellers
- The two most optimistic groups in terms of working status are the unemployed and students
- If you are the main shopper you are less likely to be optimistic

Commenting on the latest figures, Steve Abbott a Director of the British Consumer Index said; “Financial optimism plays a major part in people’s spending decisions. With only 15% of the population thinking that their situation is going to improve it seems unlikely that spending, whether on the high street or on line, will increase significantly any time soon. On a brighter note at least the figure is still slightly positive unlike the period between mid-2010 and early 2012. “

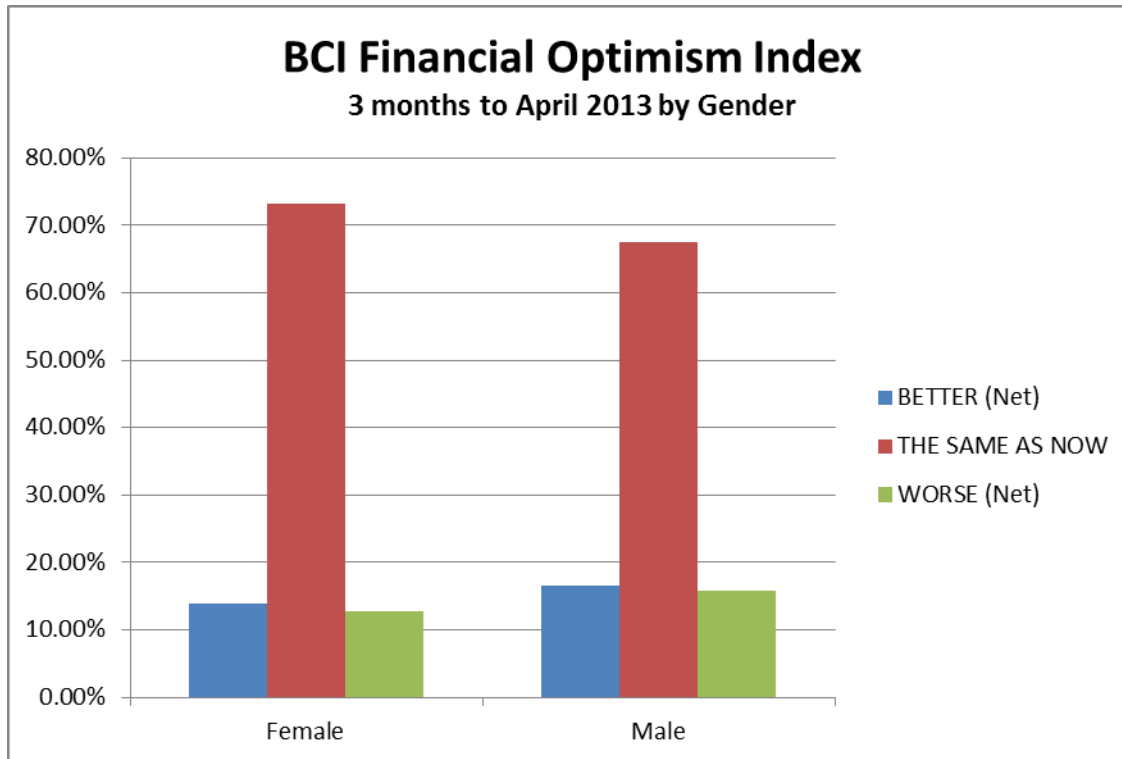
For more details see the charts below or contact; Steve Abbott;

E- stevea@thebps.co.uk

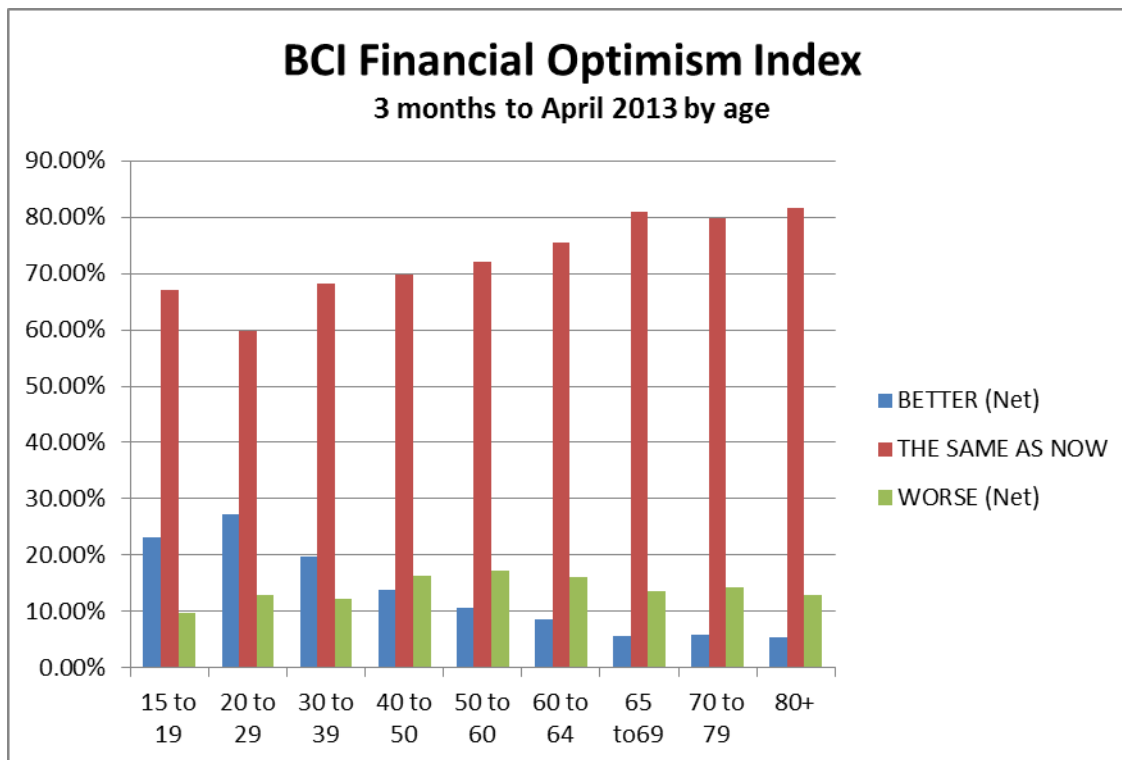
T- 0203 286 1981

Notes: Figures are collected by The British Population Survey by face to face in home interviews with a population representative sample of 1,000 adults aged 15+ per month.

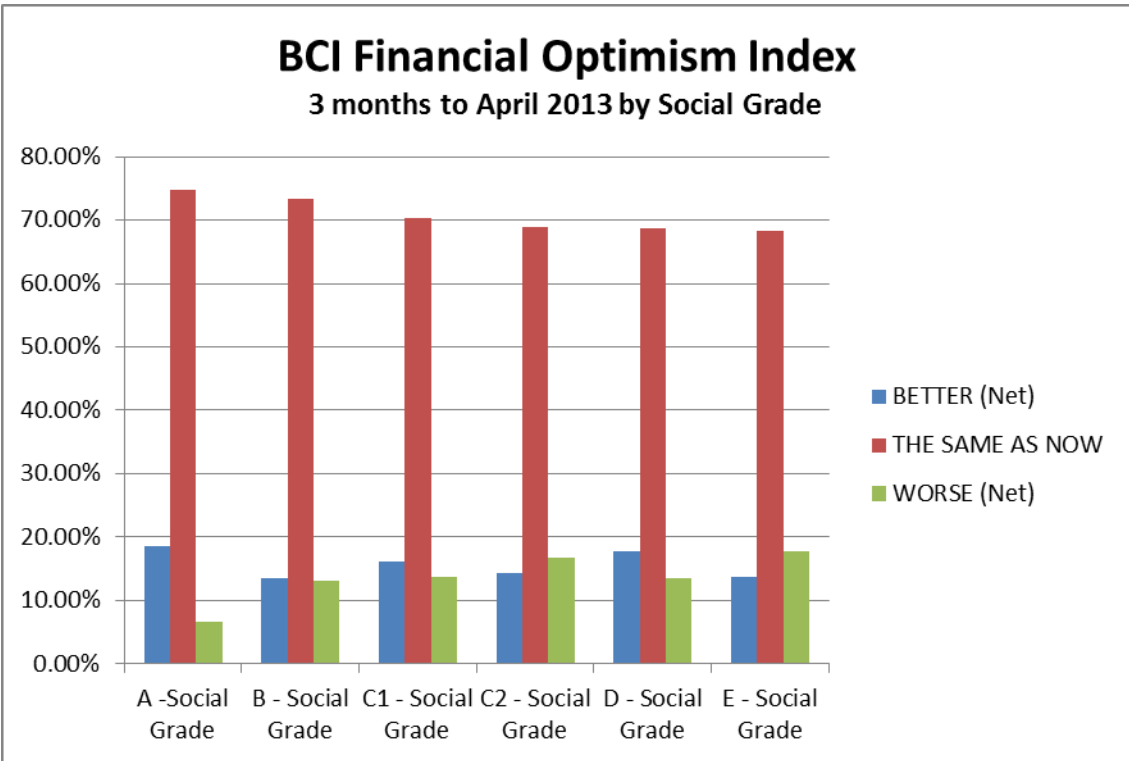
Fully analysable data is available from www.bcindex.co.uk



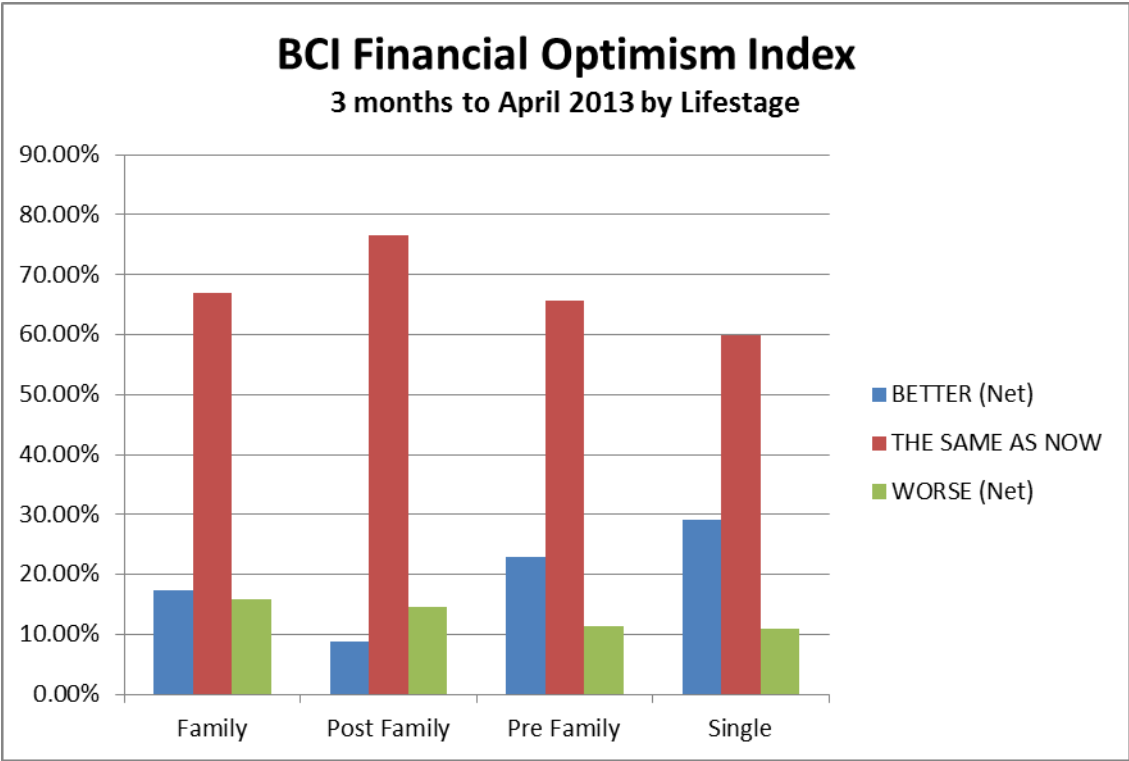
Males are slightly more likely to think that things will change rather than stay the same.



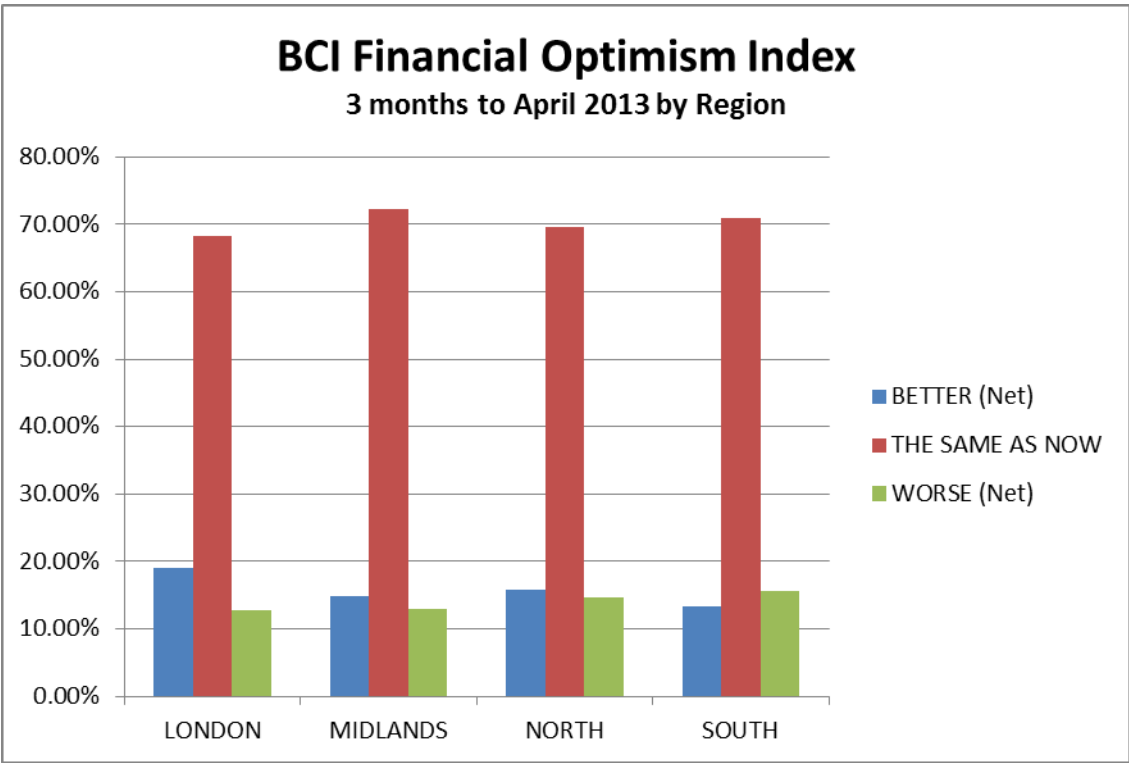
There is a direct correlation between age and optimism. The older people are the less confidence they have that things will get better. The cross over point being around 40 yrs old.



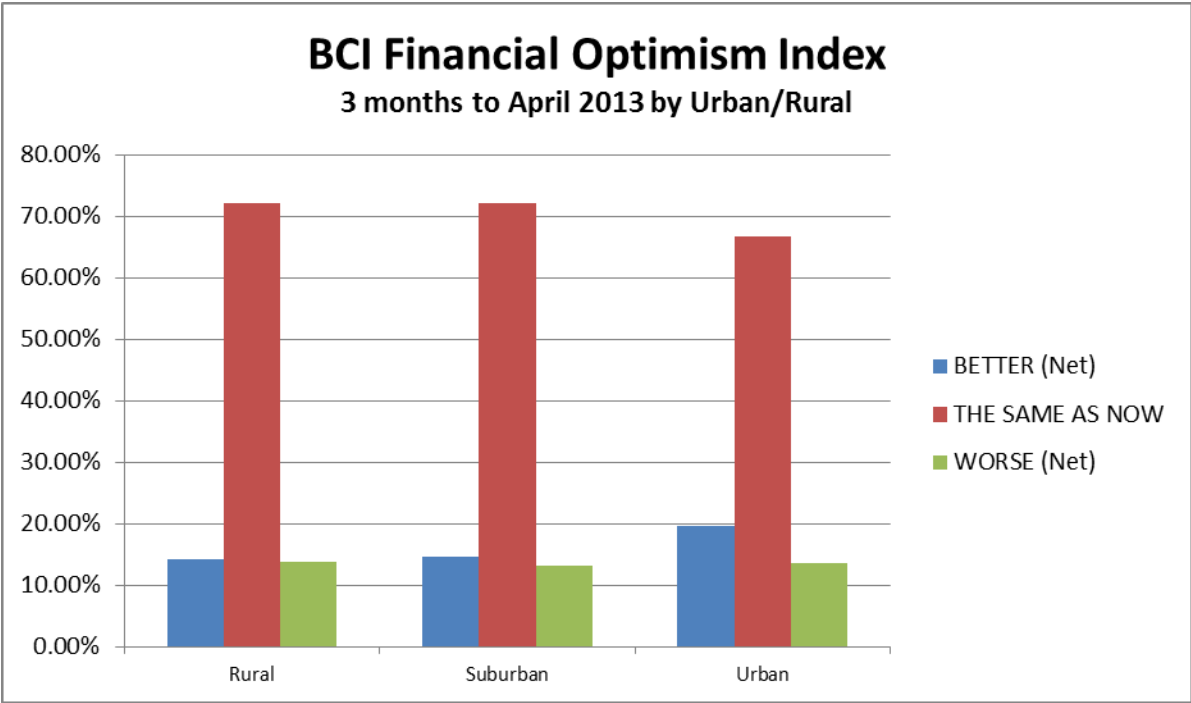
There is far more diversity in the numbers of people who think things will get worse when the index is looked at by Social Grade.



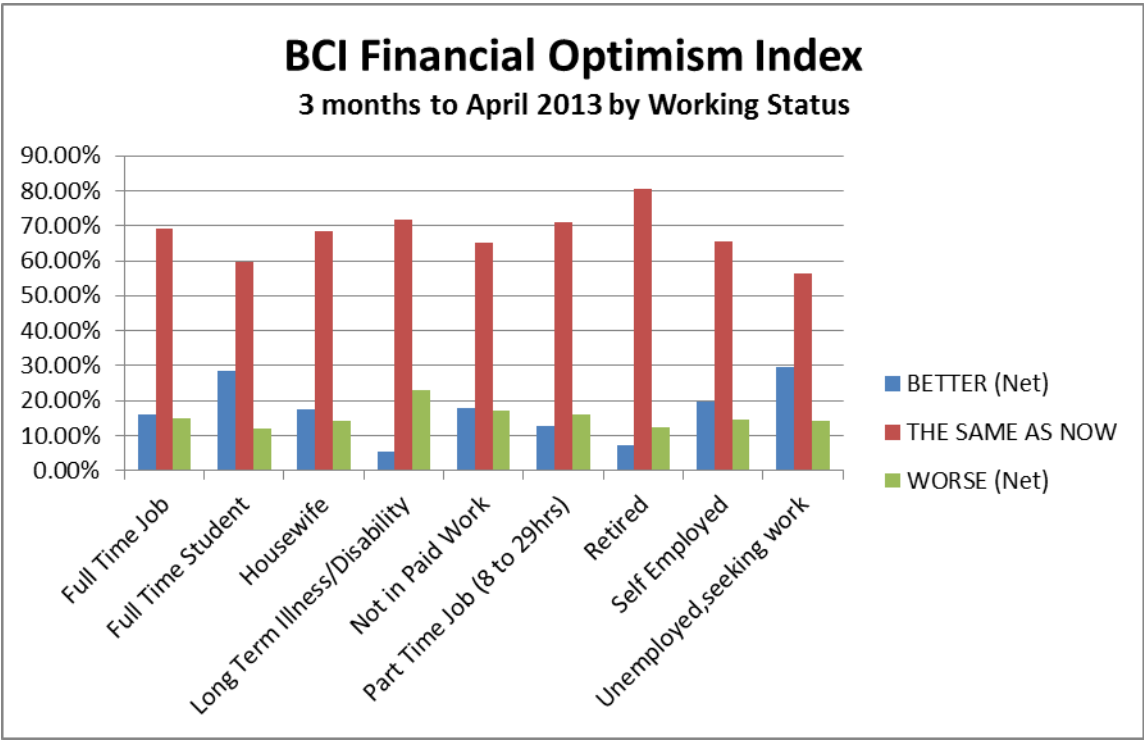
In terms of Lifestage the distribution reflects the predominant age groups at each stage.



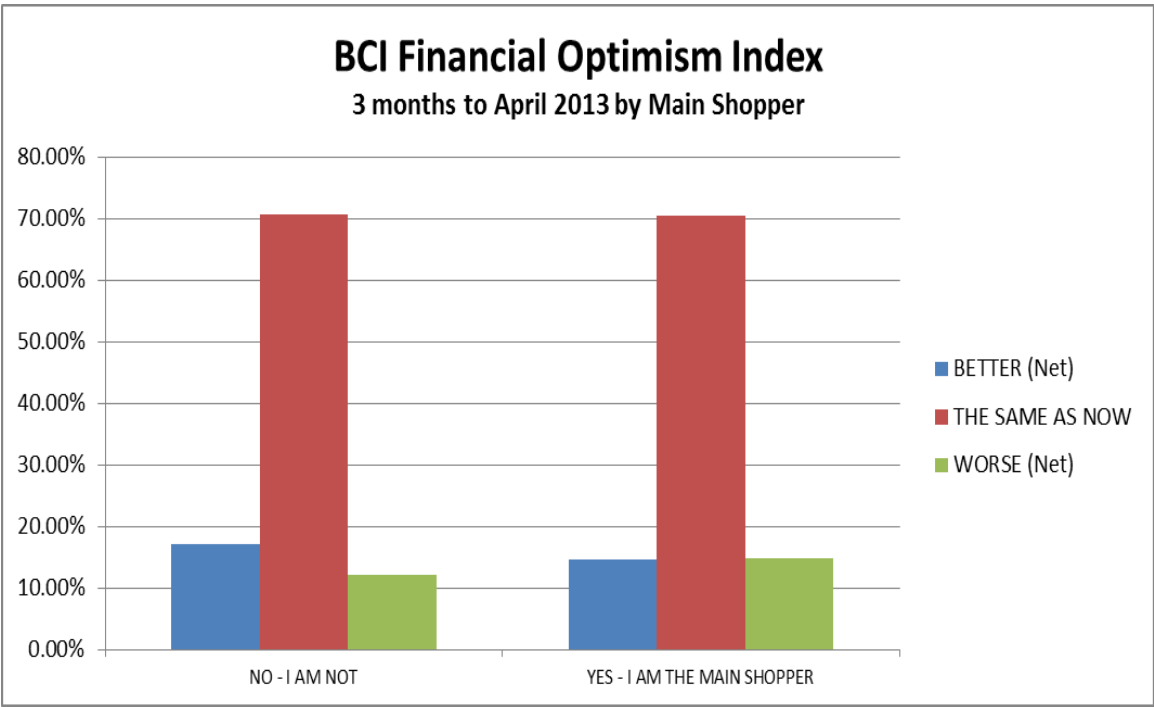
There is no evidence of a 'North/South' divide when it comes to Financial Optimism. The biggest contrast being between London and the South.



Urbanites tend to be more optimistic than their suburban or rural neighbours.



Optimism is highest in the Unemployed and Student groups.



An interesting 'cause and effect' question arises here. Women dominate the 'main shopper' group and women are less likely to be optimistic. The question is; are women less optimistic because they are the main shopper and are more in touch with prices and balancing the household budget?