

December 2016 Consumer Confidence Briefing

The monthly UK Consumer Confidence Barometer (CCB) undertaken by GfK on behalf of the European Commission* is up 1 point in December at -7. A year ago the measure was +2.

Confidence is up in 3 regions and down in 3 regions. Biggest gain is in the North, up 4 points to -6. Sentiment also rose in the South, 2 points higher at -5 and in Wales, 3 points up at -8. Among Scots sentiment plummeted, slumping by 11 points to -20. Sentiment also fell in Northern Ireland, 3 points weaker at -9 and in the Midlands, 1 point lower at -6.

. Of the 5 measures comprising the headline measure:

- The financial situation of households over the past 12 months is down 1 point at 0 compared to November, and 3 points down on December 2015
- The expected financial situation of households over the next 12 months is 1 point better at +3 on the month but 6 points below a year ago (+9)
- The general economic situation measure over the past 12 months shed 1 point to -26; 20 points lower than December 2015
- The general economic situation measure in the coming 12 months is also 1 point lower at -23 compared to November, and is down 17 points on 12 months ago (-6)
- The measure of consumer sentiment to making major purchases in the current economic situation jumped 7 points on the month to +12, and is up 5 points on December 2015

The survey also asks other questions about spending and saving. Expected spending on major purchases (such as furniture or electrical goods) in the next 12 months compared with the previous 12 months is 3 points higher on the month at -6, and unchanged on 12 months ago.

Peoples' perception of the saving climate improved in December. 41% of adults regard it as a good time to save, (37%, November), but 5 points down on a year ago (46%).

56% of households are currently saving, up 3 points on the month and unchanged on a year ago. In the next 12 months 57% of adults say they are likely to save, up from 54% in November but down from 58% a year ago. Household's overall financial position (24) is 2 points stronger than in November, but 1 point weaker than a year ago. It is above the long-term average (20).

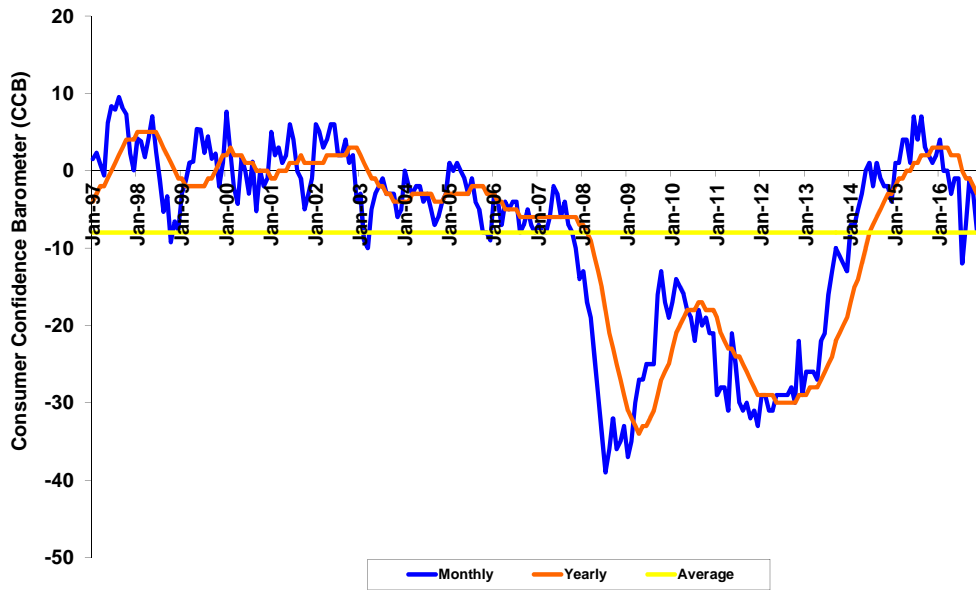
The jobs outlook improved a little in December. The measure of unemployment expectations is 2 points better at +19 on the month; but 7 points worse than 12 months ago (+12). A higher score represents rising unemployment expectations. A net balance of 28% of adults (30%, November) believes unemployment will rise in the next 12 months (15% December 2015). The measure of inflation expectations improved a little on the collapse in November, gaining 2 points to 93 on the month, but tumbling by 37 points on a year ago (56).

John Gilbert, Chief Executive of JGFR commented:

"Consumers end the year far less optimistic than they began 2016, but show signs of the resilience of the early autumn. Both spending and saving confidence strengthened and household finances improved on the month. Regionally there is a gulf between Scotland and the rest of the UK likely to reflect the real concern that Brexit has left the former both politically and economically adrift"

*The UK Consumer Confidence Survey was conducted by GfK NOP among a sample of 2,000 adults aged 16+, representative of the UK population, and carried out between 1-16 December 2016. The JGFR December 2016 *UK Consumer Confidence Monitor* will be published on Thursday December 29.

Chart 1: UK Consumer confidence January 1997 – December 2016



Source: GfK / European Commission / JGFR

Chart 2: JGFR Financial Wellbeing Index 2001-16



Source: GfK / European Commission / JGFR

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