

JGFR Brexit Report News Release Autumn 2019

Goodbye European Union Citizenship?

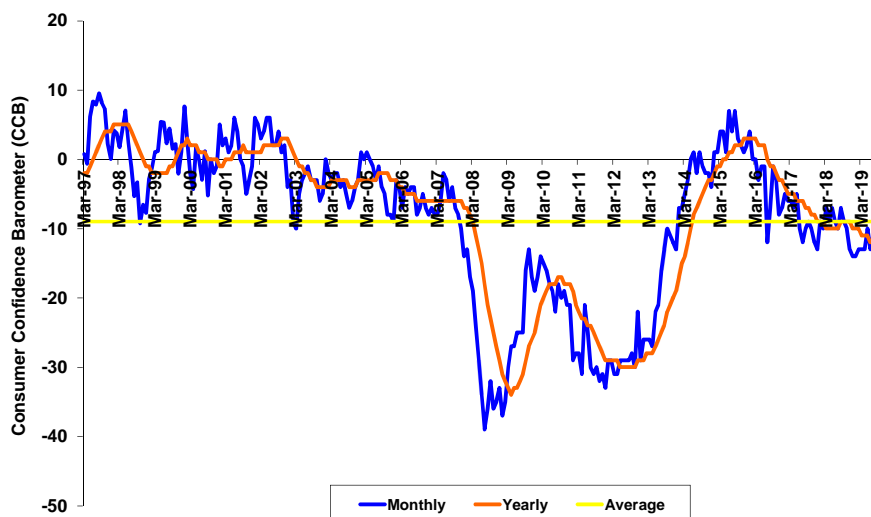
With Britain poised to exit the European Union (no ifs or buts) on October 31st so many recent datasets show the depressing state of affairs facing the country on Britain's departure.

The JGFR Autumn Brexit 2019 report highlights findings from consumer research over the past 6 months reflecting the mood of the country as Brexit day approaches. The report considers the key issues of confidence, economic sentiment, financial well-being, feel-good, health, the relationship with Europe and the attitude towards leaving.

Confidence

Since the referendum the long-running GfK Consumer Confidence Index has been negative and below its long term average of -8 for 27 of the 39 months. In the past year the moving annual average has fallen from -9 to -13, the lowest score since March 2014.

Figure 1: Consumer Confidence 1997-2019



Source: GfK / European Commission / JGFR

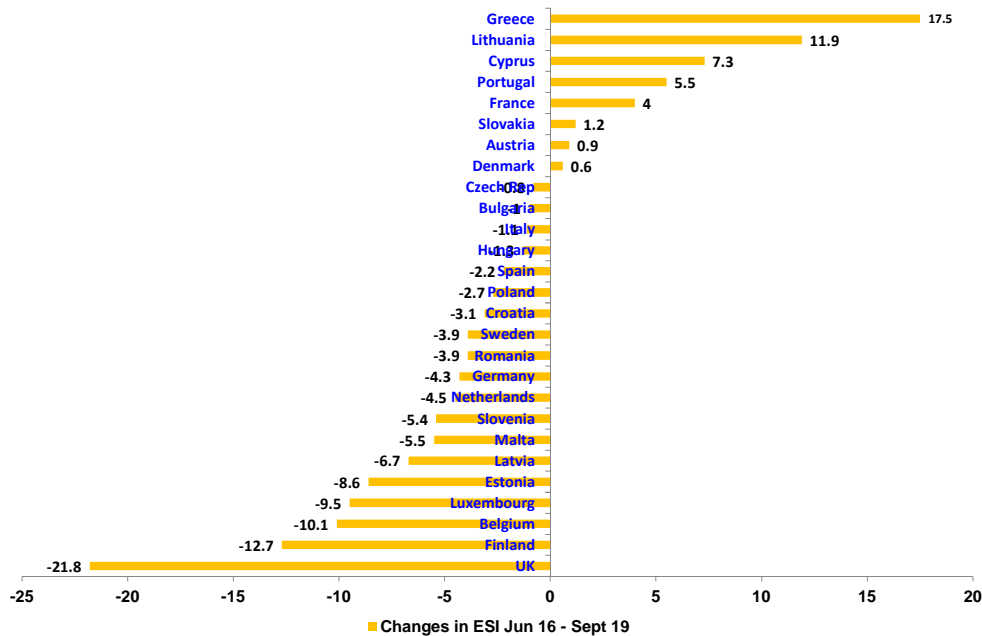
The main factor weighing heavily on the index is concern over the economic situation.

With the UK likely to be in or very close to recession in coming quarters the state of the economy will continue to weigh heavily on confidence in the coming months.

Regionally there are notable differences with confidence over the past year unusually weak in the East of England (-18), the South West (-17) and South East (-14), lower than the UK average (-13). Confidence in Scotland, Northern Ireland and Wales (all -18) has also been weak over the past year, with only London (+5) bucking the trend and helping to boost overall UK confidence.

Business confidence is also depressed with the monthly European Commission Economic Sentiment Index (ESI) showing the UK firmly at the foot of the EU-28 league table. Since the Referendum the UK has performed the worst of the EU 28. A period of low / no growth is in prospect.

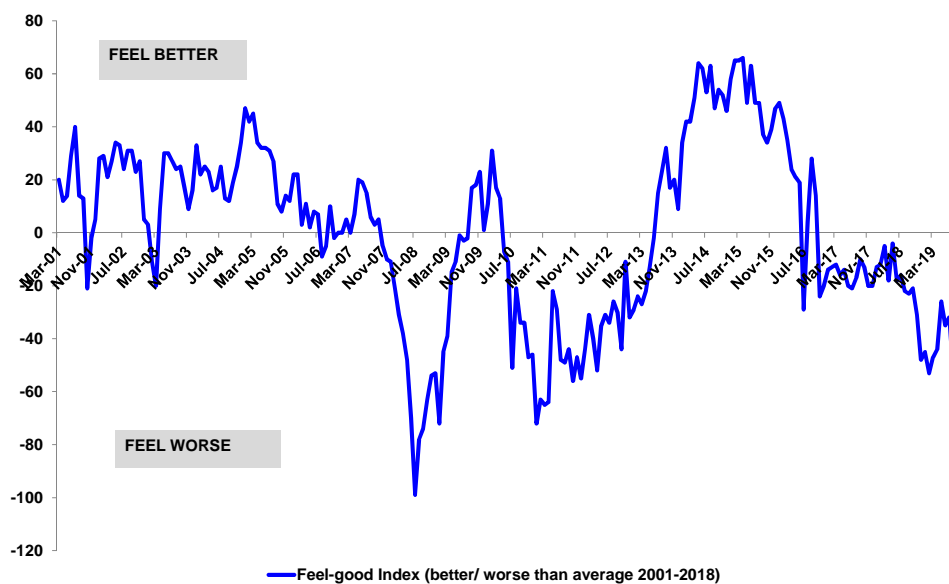
Figure 2: Changes in EU Economic Sentiment Indices 2016-19 (excluding Ireland no 2016 ESI)



Source: European Commission / JGFR

The economic situation is weighing down on the mood of the nation with the JGFR Feel-Good Index (combining the CCB forward measures of unemployment, cost of living, economic situation and personal finances in the next 12 months) close to multi-year lows.

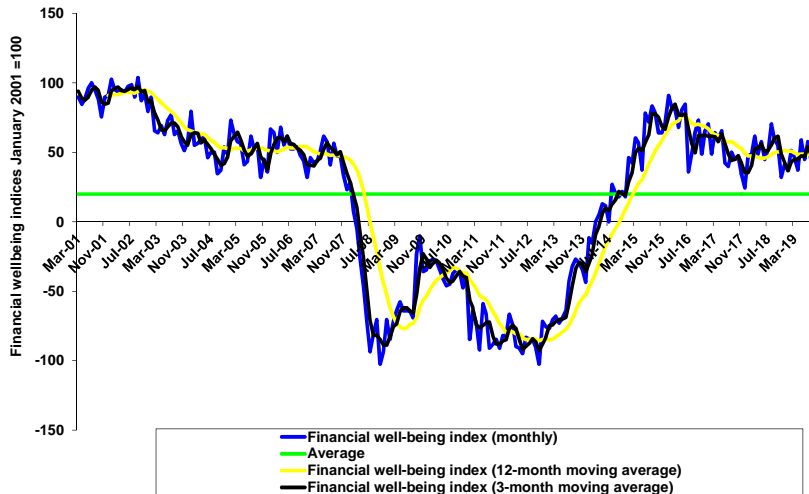
Figure 3: Feel better or worse; optimists and pessimists 2001-19



Source: GfK / European Commission / JGFR

Despite economic worries UK Financial wellbeing, buoyed by near record employment levels and rising real wages, is holding up well. The JGFR Financial Wellbeing Index combines measures of current and future personal finances, saving confidence (climate and likely to save) and spending confidence on major household goods (climate and expect to spend)

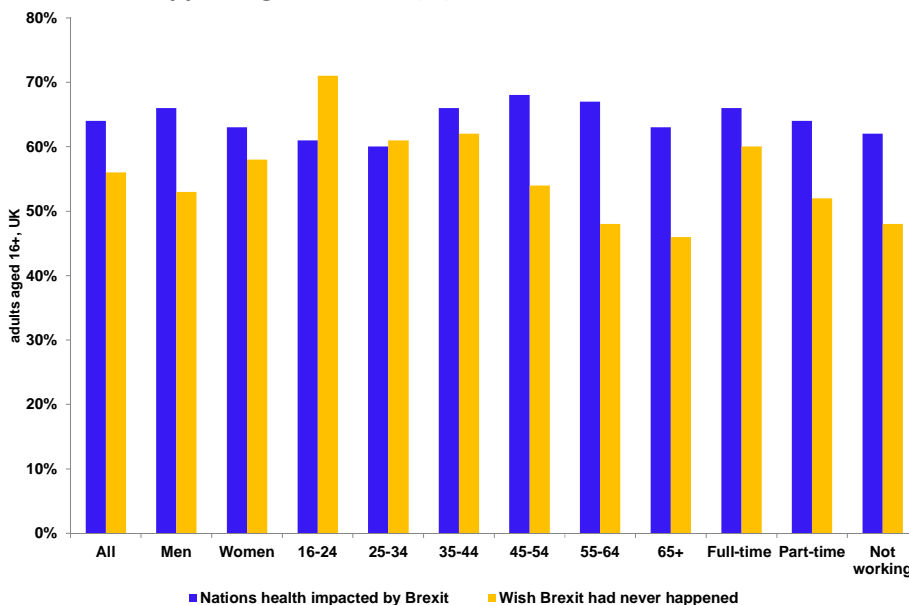
Figure 4: Financial well-being 2001-19



Source: GfK / European Commission / JGFR

Brexit fatigue is cited by all sides in the current Brexit impasse. Last March a majority of the public agreed the health of the nation is at risk from Brexit (64%) with over a half of the population (56%) wishing Brexit had never happened. It is unlikely that there will have been much change in sentiment since March as the Brexit divide has intensified.

Figure 5: Brexit - health / well-being and wishing it had never happened, adults aged 16+, UK, March 2019 supporting statement (%)



Source: GfK / JGFR

Bringing the country together is the mantra of the government by getting Brexit done, but there are a number of nagging worries adding to the general Brexit angst.

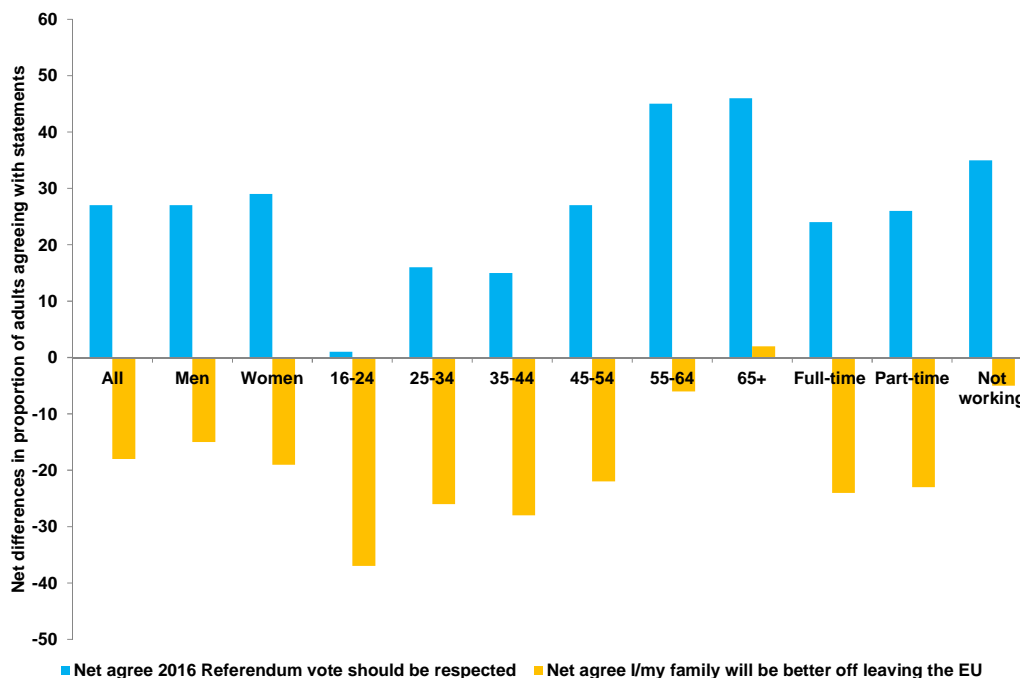
A large minority of people (35% v 39%) believe that leaving the UK will lead to the break-up of the UK, while more adults (44% v 34%) believe that Britain will suffer a loss of influence in the world outside of the EU. While the UK is among the most euro-sceptic EU members a Eurobarometer poll following the May European elections found over a half of UK adults (58%) regard themselves as EU citizens and nearly 70% regard the Single Market as the EU's greatest achievement. Giving up EU citizenship and the Single Market is something people may regret.

A battle between politics and economics

At the 2010 general election the EU was barely raised as an issue. Two general elections and a Referendum later, Europe stands above any other issue that matters to the UK public, although Brexit will impact on many other issues over the coming years. Getting Brexit done is seen as the first move in returning politics to 'normal' and satisfying the instructions of the British public.

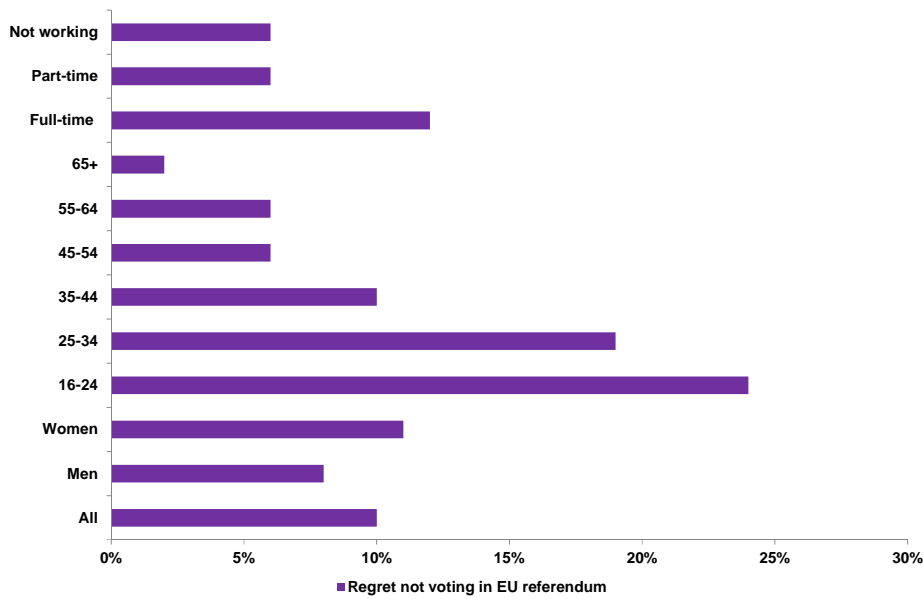
Brexit is a battle between politics and economics with the public believing that the will of the public must be respected (54% v 27%) but that they / their families will be better off inside the EU (45% v 30%). Brexit is also an inter-generational battle between large numbers of the young and working who feel they will be worse off and the large number of over 55s (many retired) who believe that the will of the people has to be respected.

Figure 6: The will of the people v being better off, adults aged 16+, March 2019



How Brexit can be resolved is becoming ever more demanding of time, cost and resources. Slightly more adults (43%) are in favour of a Peoples Vote than against one (39%) which will provide the 4-5 million adults who regret not voting in the 2016 referendum with a chance to vote. 76% of the public indicate they would vote in a second referendum, a higher turnout than in a general election.

Figure 7: Having EU Referendum regrets on not voting, UK adults aged 16+ , March 2019

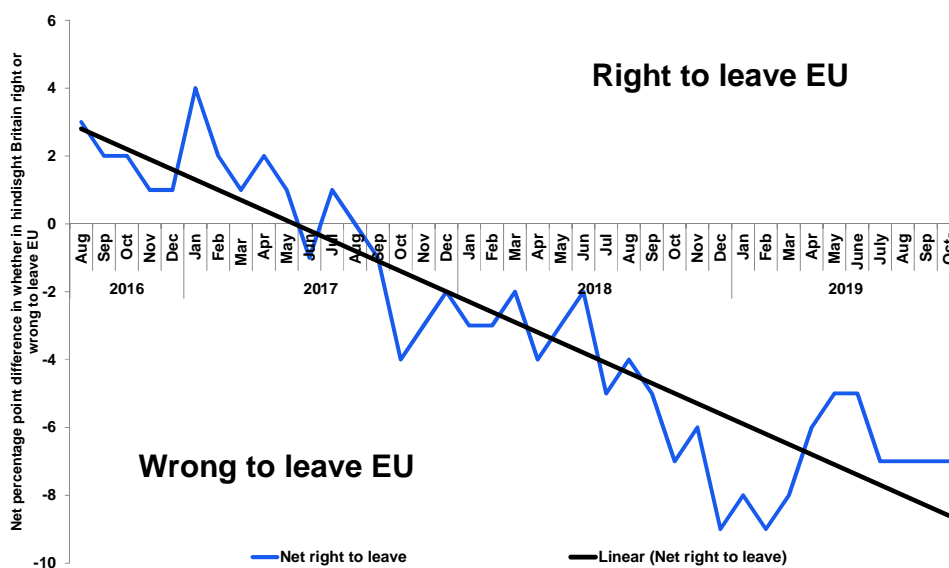


Source: GfK / JGFR

As Brexit is about a younger generation’s future there is also public support (46% v 39%) for the Referendum vote to be extended to the estimated 700,000 16-17 year olds

Attitudes towards Brexit have become entrenched (out or in) since the Brexit vote with little real understanding of the nuances of shades of Brexit. Slowly more people believe the original vote was wrong but the gap is not wide (around 48%-42% in favour of remain).

Figure 8: Right or wrong to leave the EU July 2016 – October 2019



Source: YouGov / JGFR (monthly averages)

John Gilbert, Director of JGFR commented on the report's findings :

“Should Brexit take place Global Britain’s success will depend on the attitudes and job prospects for the UK workforce post Brexit, especially among the young. Whether a referendum or general election comes first it should become a workers first Brexit debate”

Notes

Consumer confidence (CCB), JGFR Feel-Good and Financial Wellbeing Indices are all constructed from a GfK monthly survey of 2,000 adults aged 16+ representative of the UK population. The dataset commissioned by the European Commission asks 12 questions on personal finances, the economic situation, cost of living, unemployment, savings and spending

The CCB is one of 5 measures of economic activity across the 28 EU member states covering services confidence, construction confidence, industrial confidence and retail sales confidence that combine to form the Economic Sentiment Index (ESI).

The European Commission undertakes extensive consumer research across the member states periodically through Eurobarometer surveys. The latest followed the European elections last May.

JGFR commissioned GfK to undertake Brexit research on the same GfK CCB online Omnibus last March

To obtain a copy of the full report contact John Gilbert (j.gilbert@jgfr.co.uk) or ring 07740 027968