



Consumer Confidence Tracker

March 2010

Prepared by Luke Reaper

J.1814



Introduction

- This report presents the findings of the latest phase of the Behaviour & Attitudes' Consumer Confidence Tracker.
- Survey results for each phase are based on a sample of 962 adults aged 16+, quota controlled in terms of age, gender, socio-economic class and region to reflect the profile of the adult population of the Republic of Ireland.
- All interviewing on the survey is conducted on our fortnightly face-to-face Barometer by trained members of the B&A field force working under ESOMAR guidelines.
- Fieldwork on the latest wave was carried out between 1st and 10th March 2010 (i.e. pre 'Bail Out Tuesday' (NAMA and Bank recapitalisation announcements on 30th March 2010)).
- At the end of this report we have also included some of the latest CSO data on GNP, retail sales, unemployment and inflation.
- The figures contained within the B&A Consumer Confidence Barometer have an estimated margin of error 3.2%.

Summary

- In the last Behaviour & Attitudes Consumer Confidence Barometer in November 2009, we saw indications that consumer pessimism was easing. The 'settling down' noted in the last Barometer has thankfully continued in this latest wave.
- For the fourth wave in a row, consumers are more positive about the economy for the year ahead. Thus there is a consistent easing of negativity.
- People are still displaying concerns for their own personal financial position in the year ahead, which is not surprising given the impact of the government levy and salary cuts over the last year. However, personal finance perceptions have stabilised, and have not disimproved since the last wave in November 2009, pre-budget.
- Job security fears still exist, with 17% very concerned that someone in their household may lose their job in the next 6 months. As long as people still read or hear about job losses we believe that consumer spending will remain stagnant. The latest QNHS figure of 13.1% unemployment (while released post fieldwork) indicates that consumer fears are unfortunately very real.

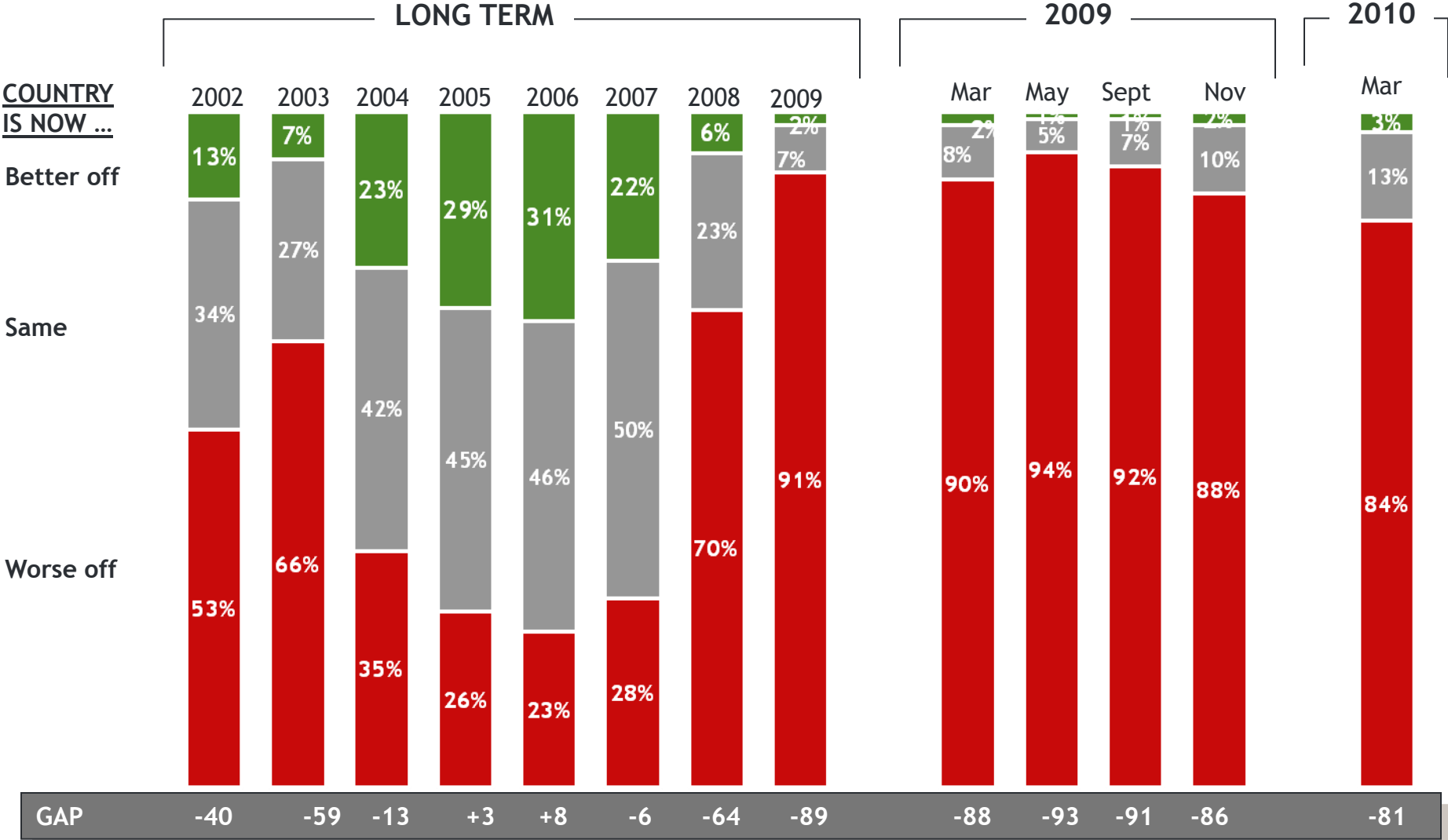
Summary

- The table below summarises the net scores for each element of the March survey compared to previous waves.

	Pre 2008 Historic Low		2009				2010
	Date	Net Score	Net Scores				Net Scores
UNWTD. SAMPLE	Date	Score	Mar	May	Sept	Nov	March
	%	%	%	%	%	%	%
Economy - looking back a year	Nov '02	-62	-88	-93	-91	-86	-81
Economy - looking forward one year	Nov '02	-63	-74	-76	-65	-58	-54
Personal finance - looking back a year	Nov '02	-40	-57	-62	-67	-63	-65
Personal income - looking forward a year	Nov '02	-20	-54	-63	-63	-55	-54
Personal assets - looking forward one year	Jan'02	-2	-55	-53	-55	-47	-49
Purchasing intentions - the year ahead	Nov '02	-24	-61	-55	-60	-53	-51
Savings - the year ahead	Nov '02	-35	-56	-56	-60	-51	-53

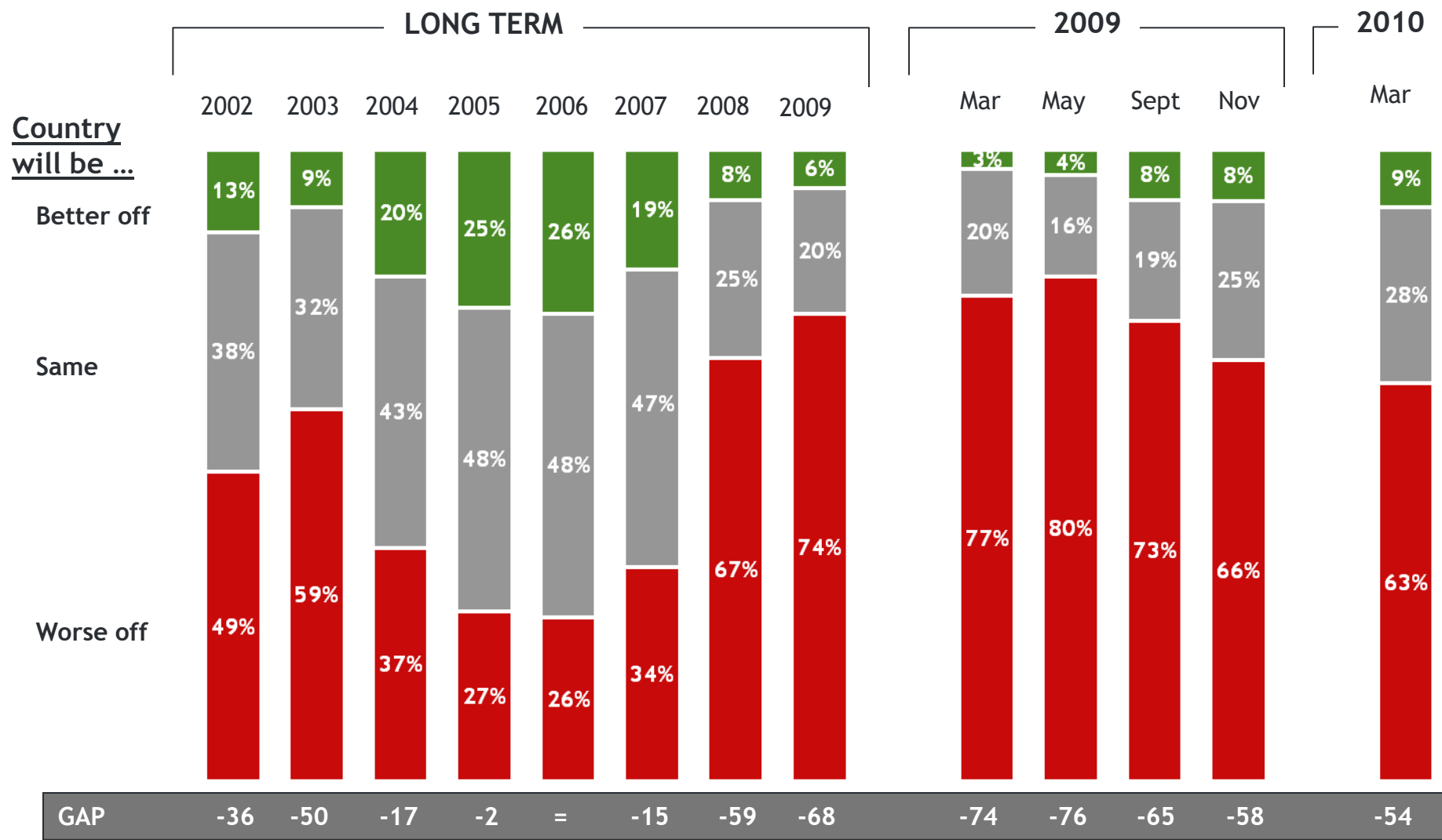
Net score denote “better” minus “worse” and a reduction (-58 to -54) suggests a reduction of pessimism.

Economy - Looking Back



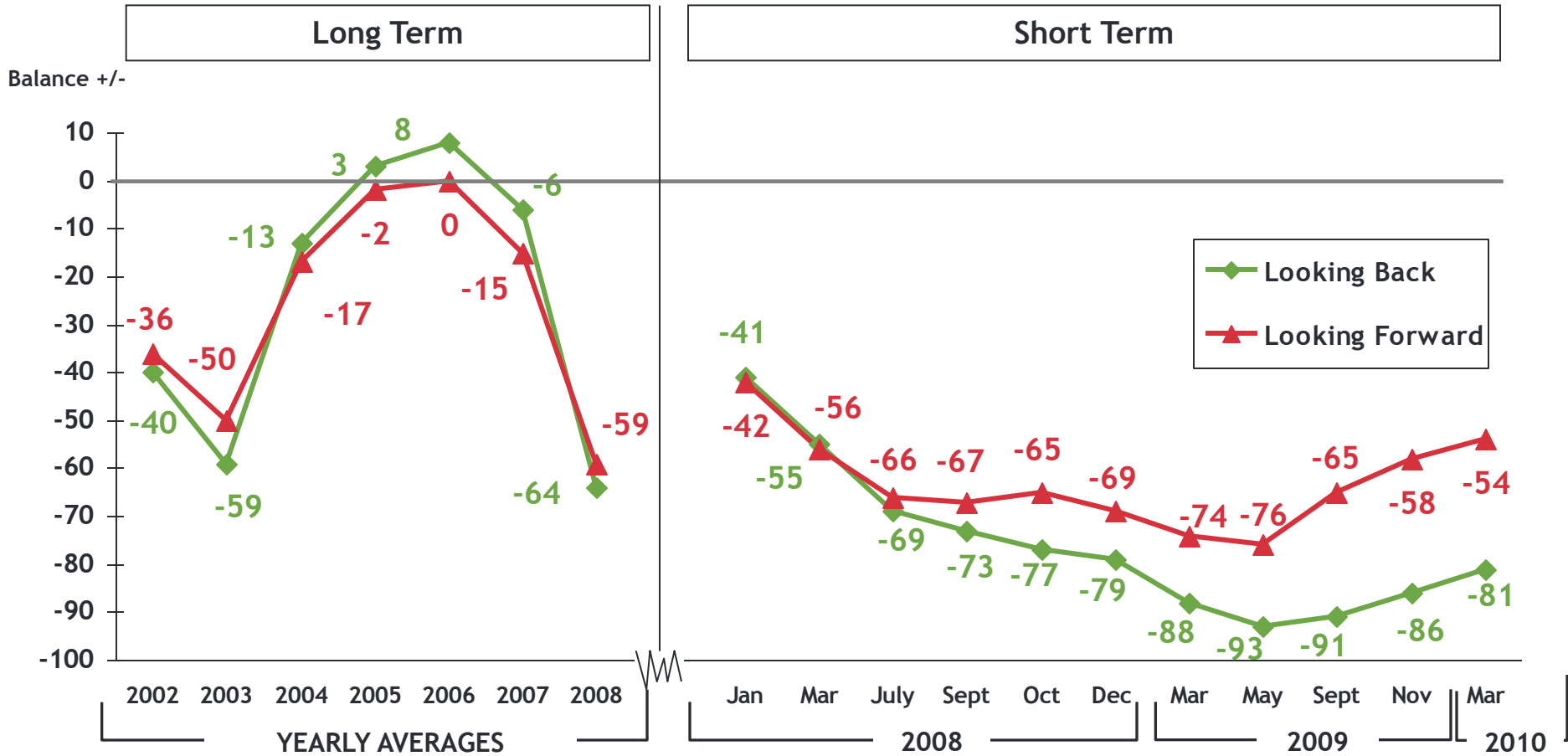
Q.1 Thinking about the economy as a whole, do you think that the country is better off, worse off, or about the same as last year?

Economy - Looking Forward

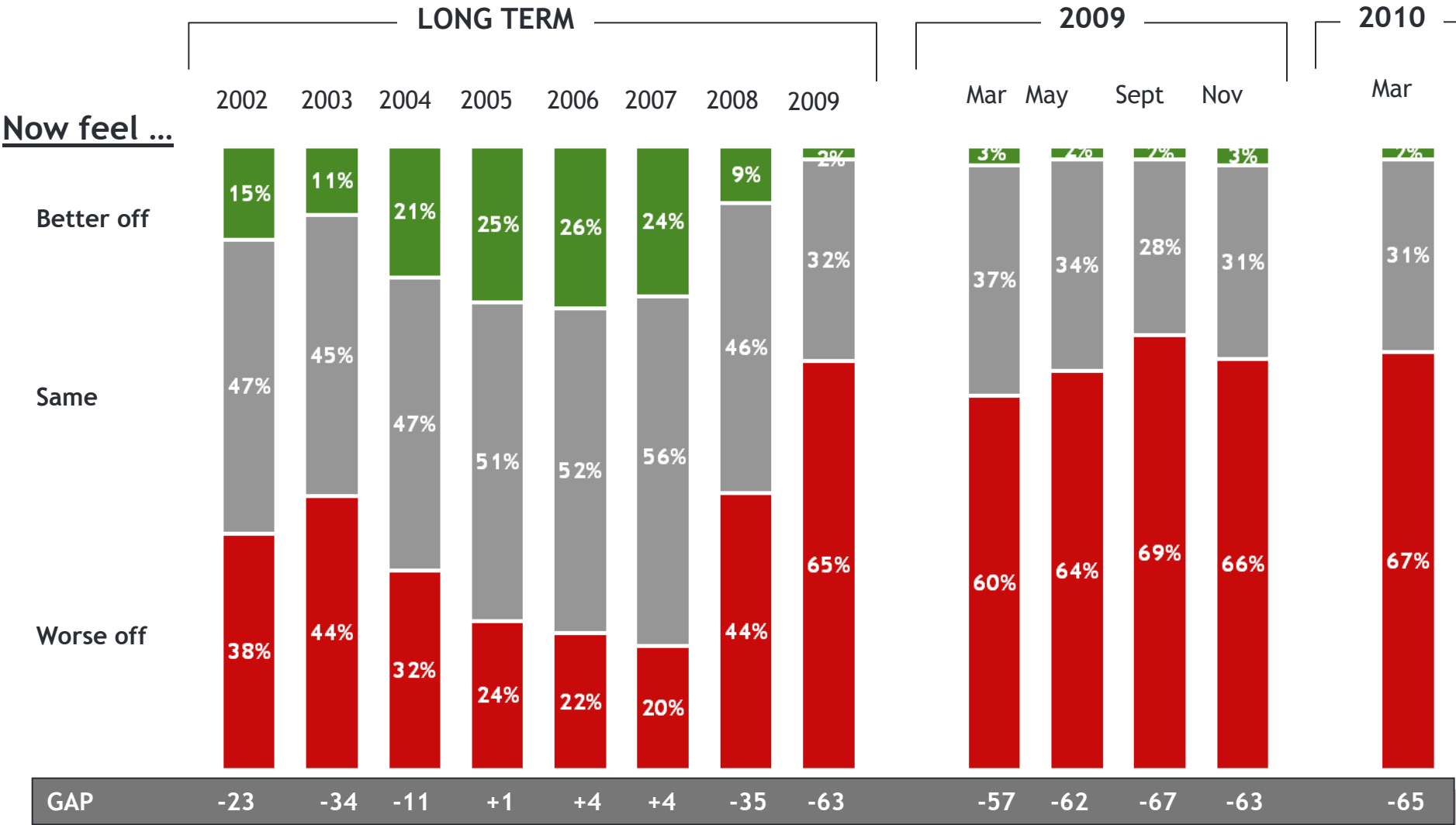


Q.2 And what about the coming year, do you think that the country will be better off, worse off or about the same as this year?

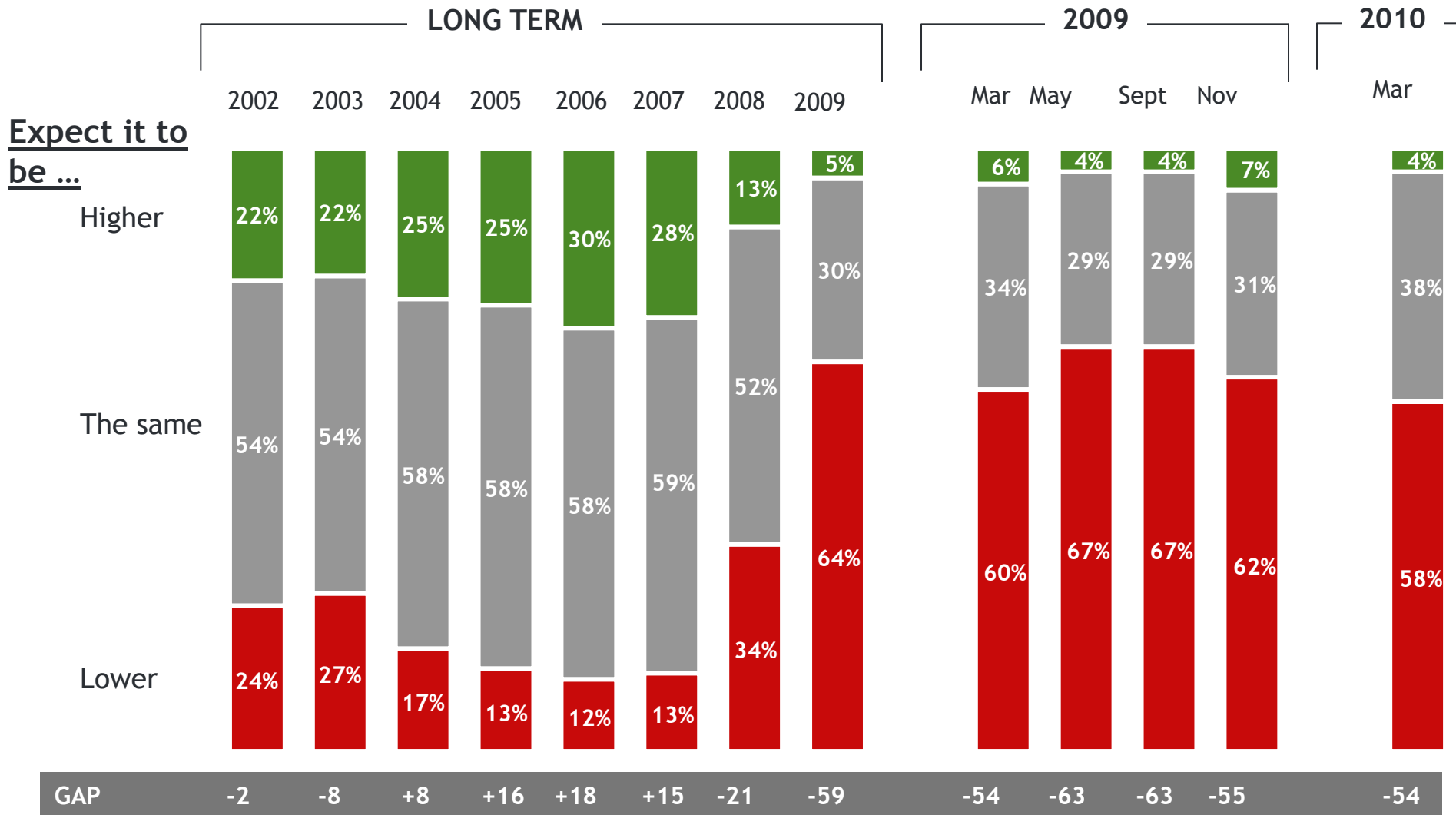
Balance Of Opinion Economy



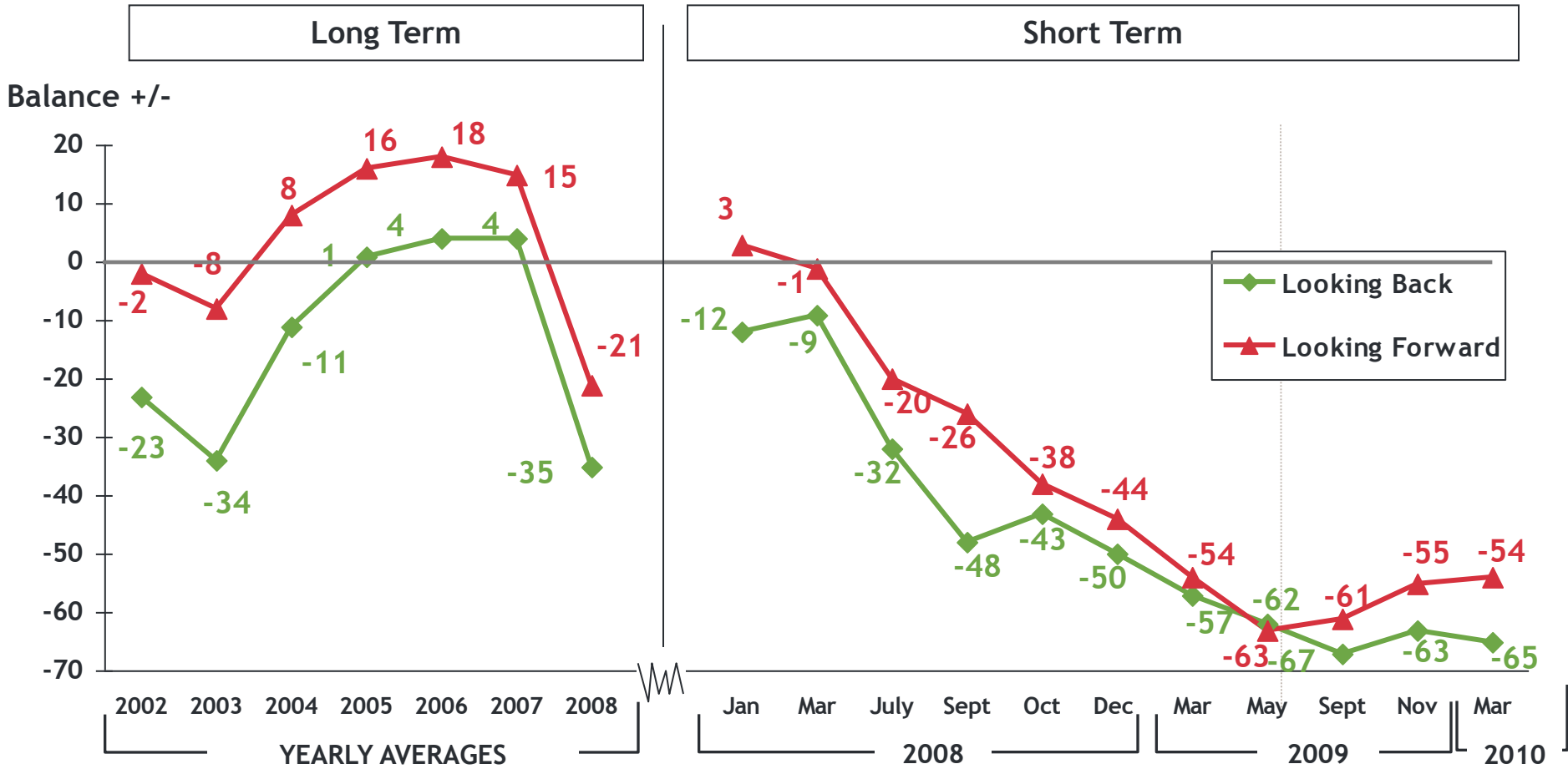
Personal Finances - Looking Back



Personal Finances - Looking Forward



Balance Of Opinion - Personal Finances



Personal Assets- Looking Forward

Expect them to be ...

LONG TERM

2009

2010

2002 2003 2004 2005 2006 2007 2008 2009

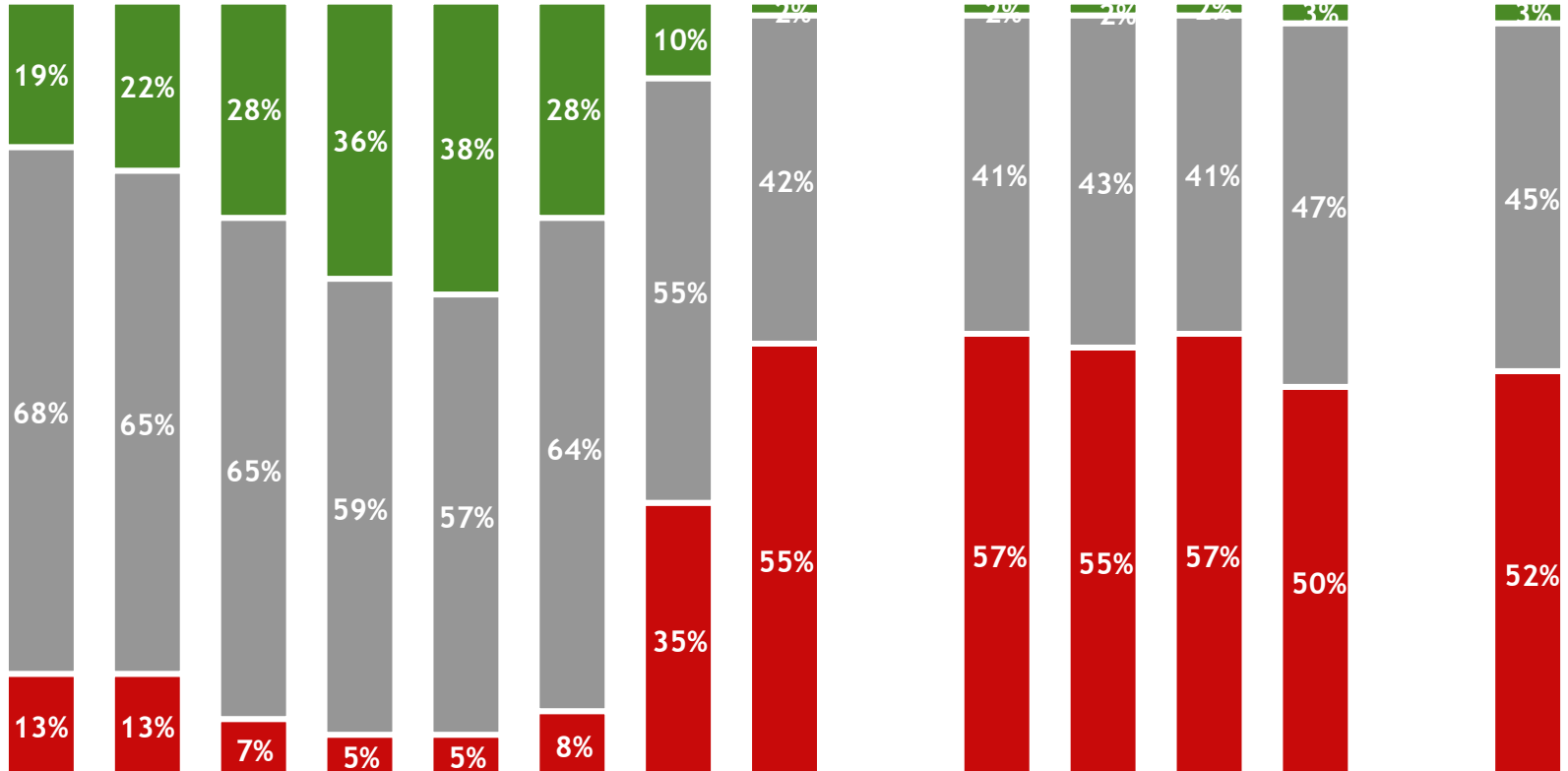
Mar May Sept Nov

Mar

More

No change

Less



Difference

+6

+9

+21

+31

+33

+20

-20

-53

-55

-53

-55

-47

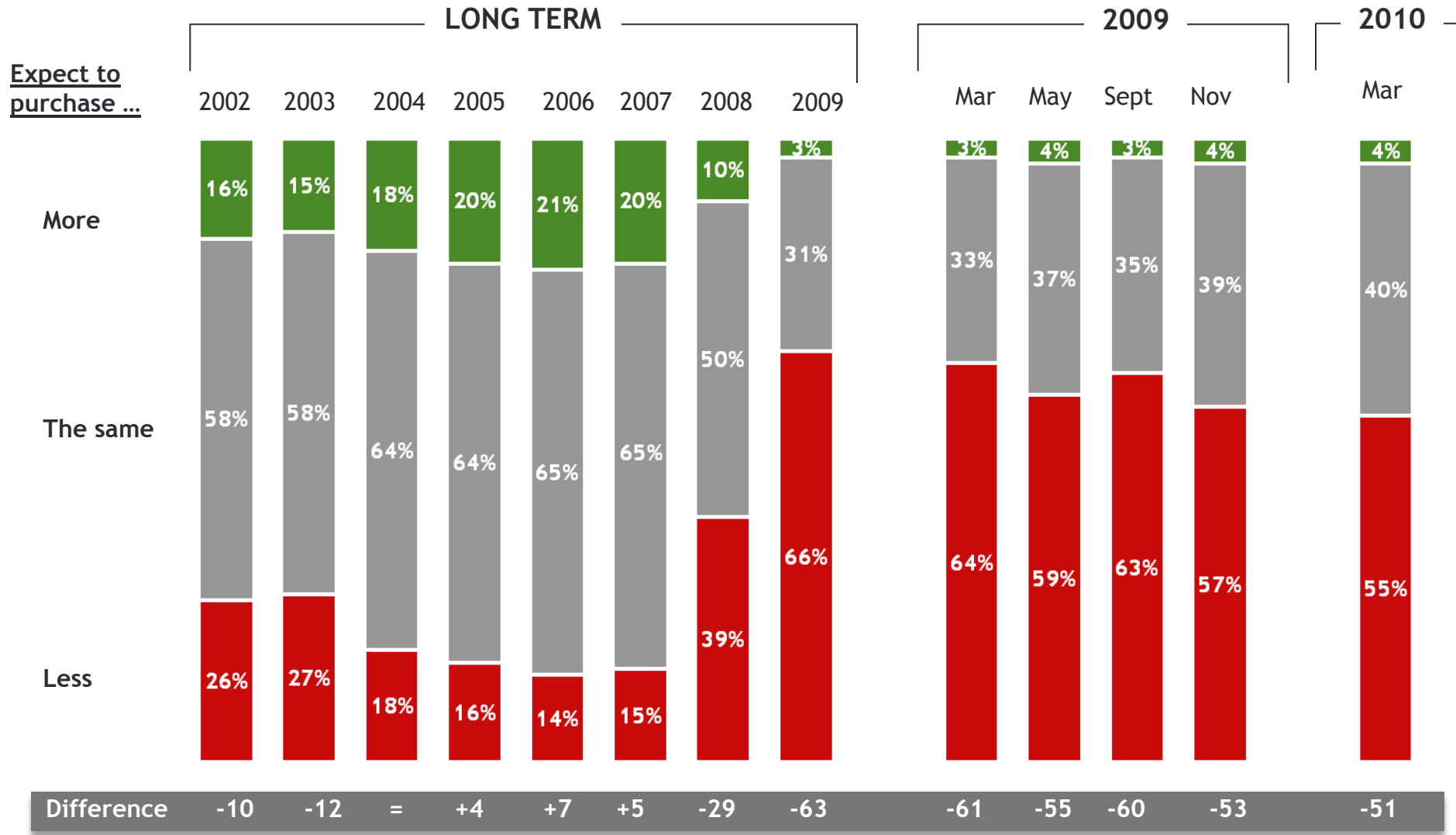
-49

Q.6 Do you expect your assets (your house, shares, pension entitlements, savings) In the next year to be higher, lower or the same as in the past year? PROBE: A lot or a little

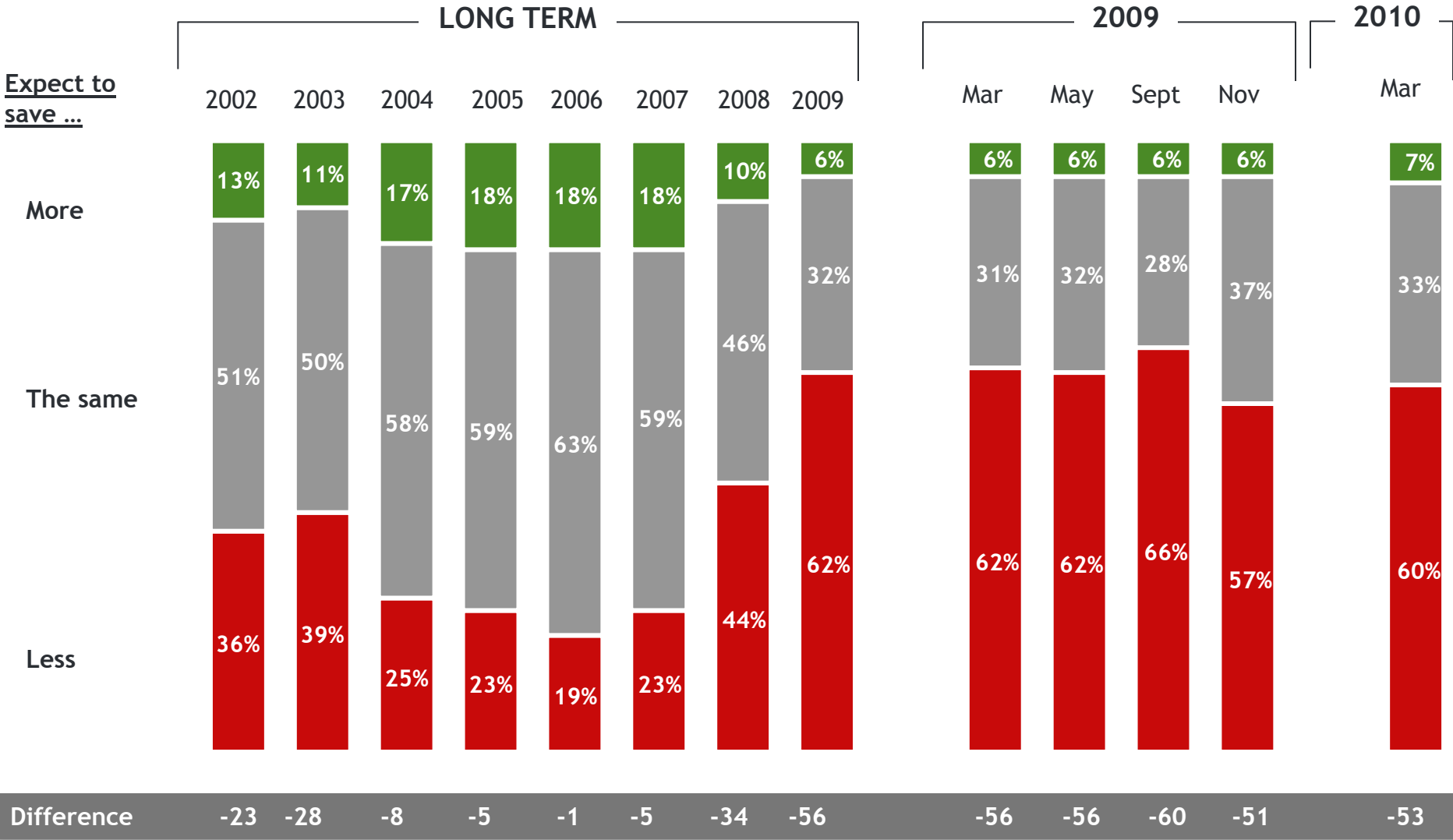
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Purchasing Goods And Services - Looking Forward



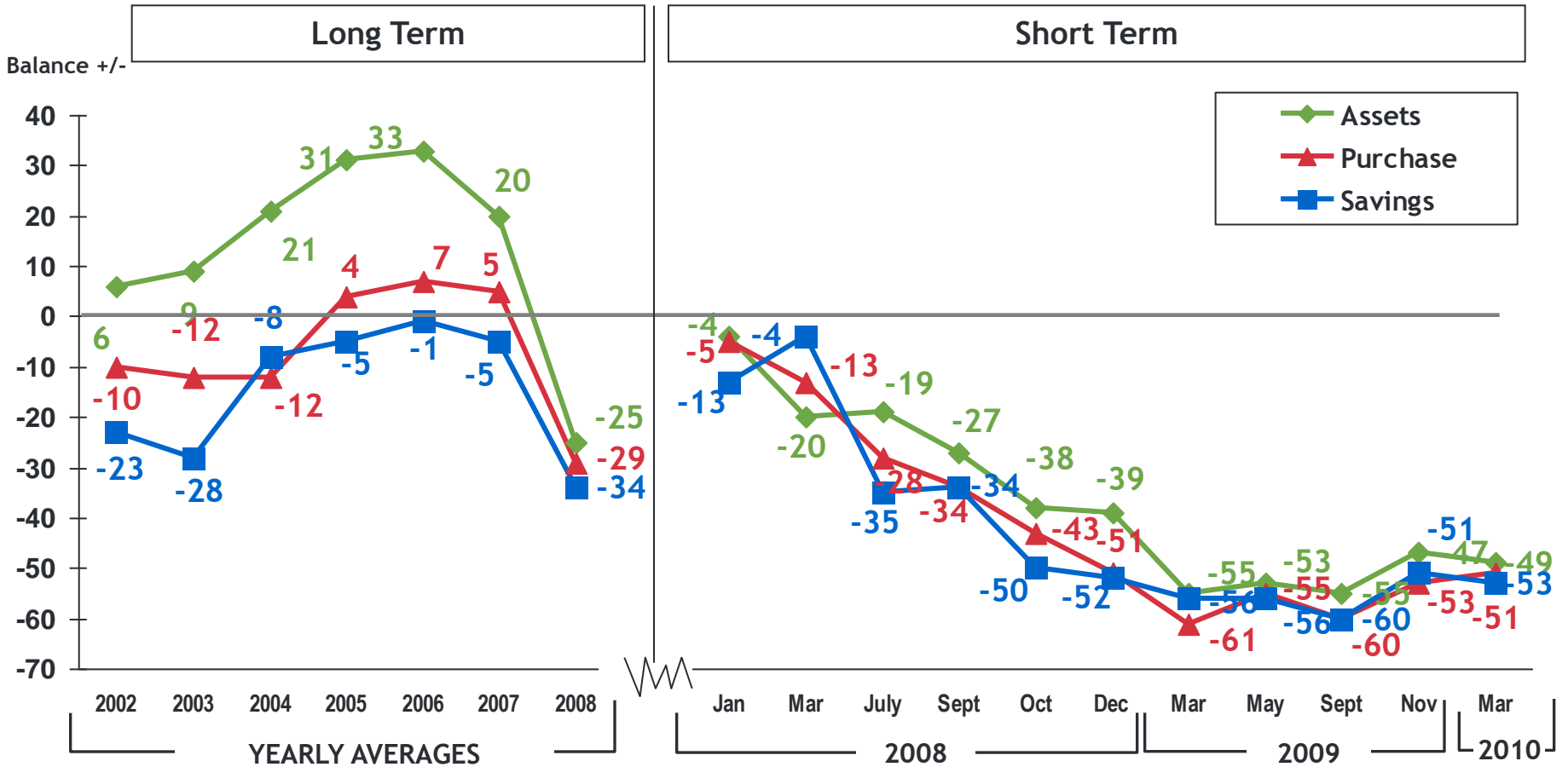
Savings - Looking Forward



Q.8 Do you expect to save more, less or the same amount in the year ahead compared with the last twelve months?

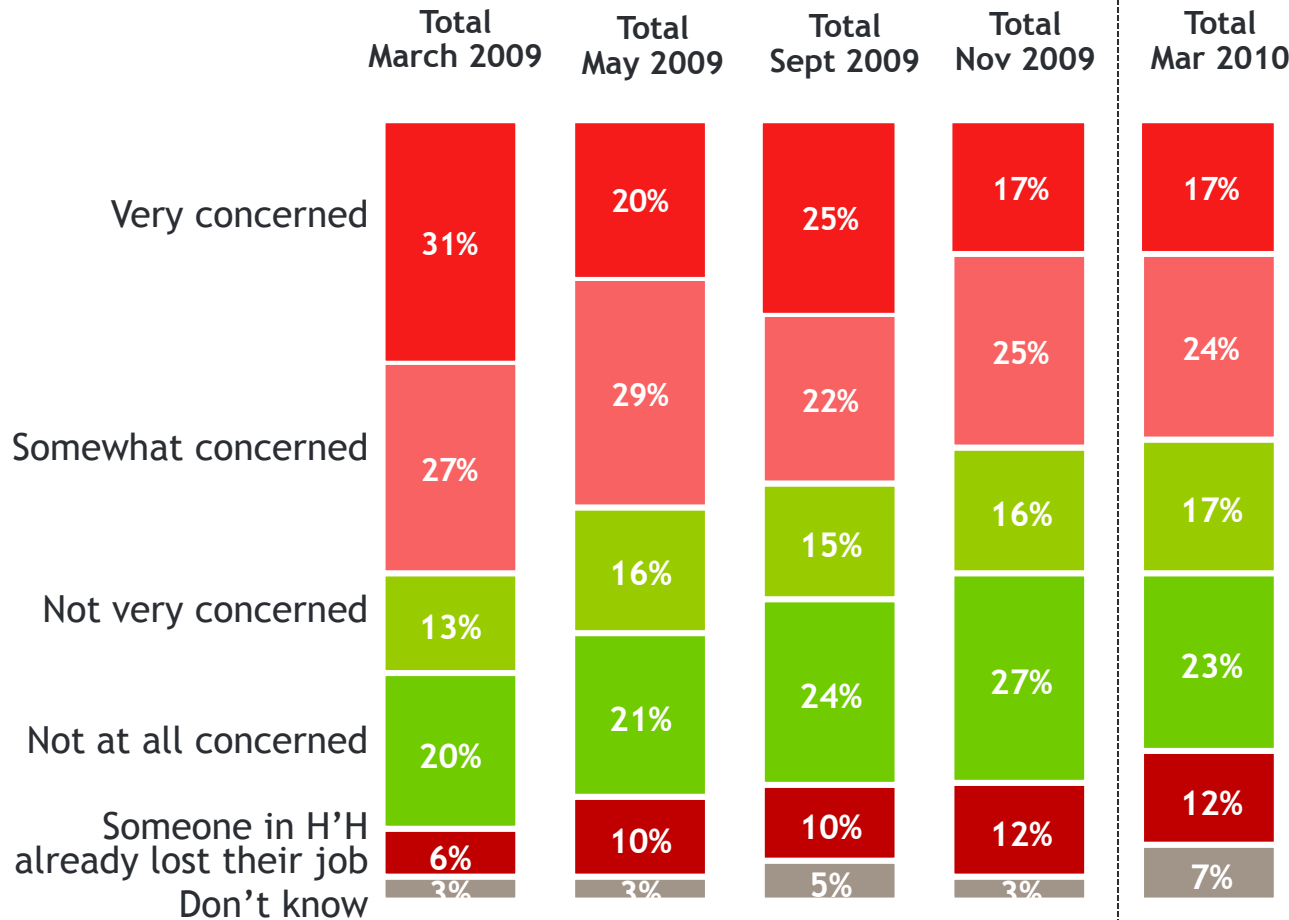
Balance Of Opinion

Expectations in regard to Assets, purchases, and savings



Job Security Fears

Concern that someone in household may lose their job in the next 6 months



Equates to over 600k people who are still very concerned



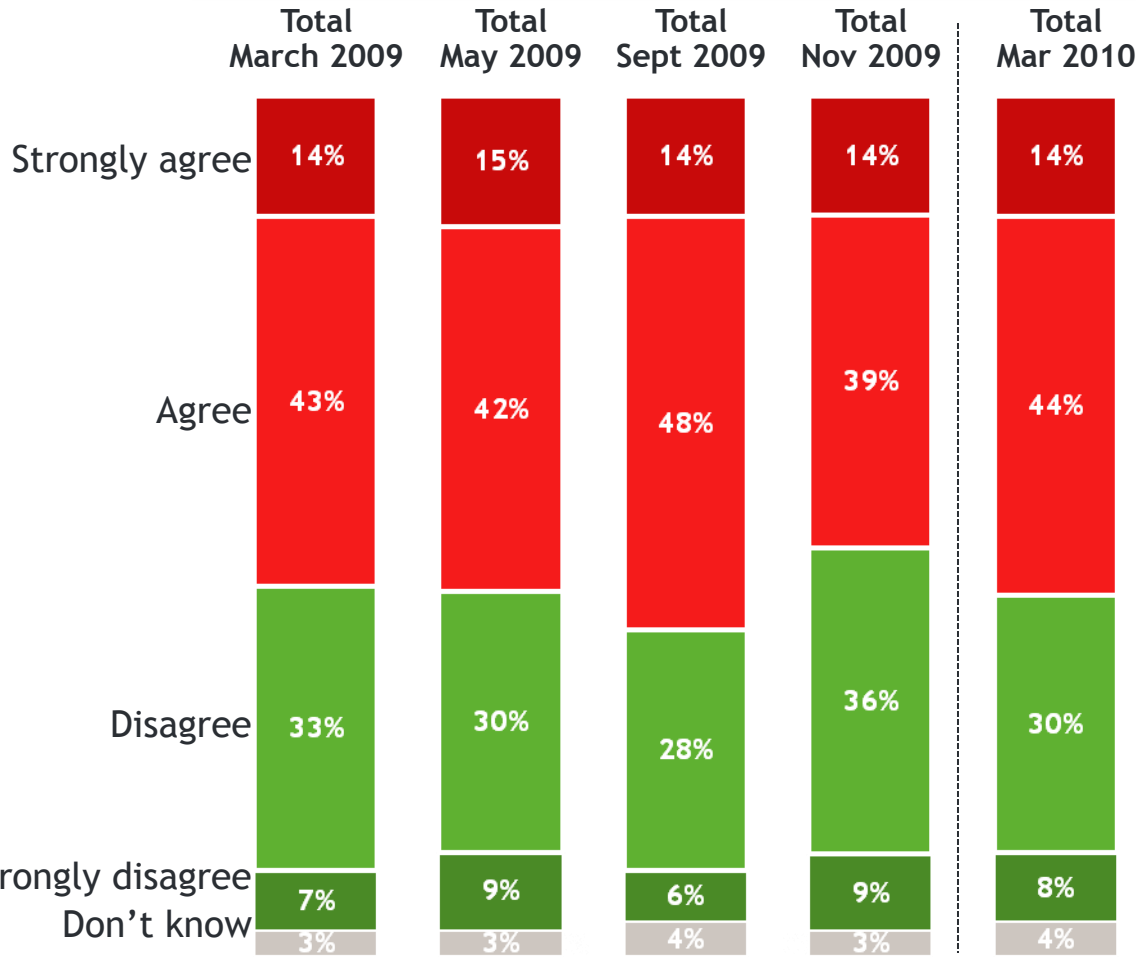
A nation divided, with similar proportions concerned as are unconcerned regarding jobs

Q.9 Are you very, somewhat, not very or not at all concerned that you or someone in your household may lose their job in the next six months?

Are Consumers Coping?

Base: All adults 16+ - 967

Compared to a year ago, my household having **more difficulty** making ends meet



About 490k people strongly agree their household is having difficulties (a further 1.5m agree)

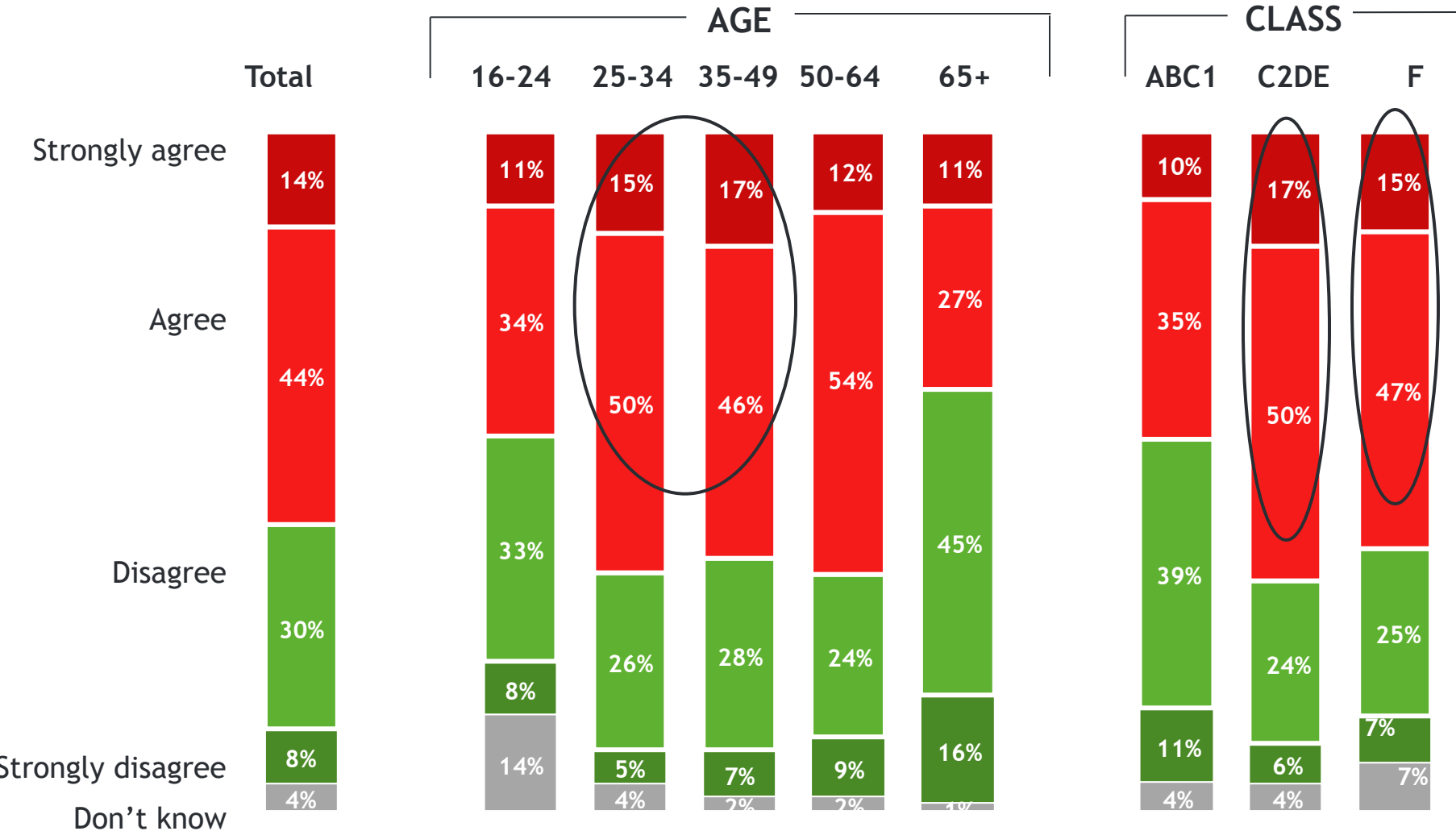
Especially affected are; those in the 25-64 age bracket and among blue collar workers.



Q.10 To what extent do you strongly agree, agree, disagree or strongly disagree with each of the following statements?
Compared to a year ago, my household having more difficulty making ends meet

Households **Struggling** to Make Ends Meet: 2010

Base: All adults 16+ 967



Q.10 To what extent do you strongly agree, agree, disagree or strongly disagree?
 'My household is struggling to make ends meet'

**Is there some silver lining
to the recession?**

The Spirit of the Fighting Irish Lives On

Base: All Adults aged 16+ 962



Over 3 in 4 believe ...

“The recession is here, so people just need to get on with living in this new world”

This sentiment echoes the findings of the Behaviour & Attitudes Oct '09 Irish Times Ireland Today Poll.

Shopping Behaviour

Base: All Adults aged 16+ 962



Not surprisingly over 88% of people claim to be more careful about their money and what they spend it on.

But 70% believe there are a lot of good deals around on different products and services which they avail of.

Also 64% feel more in control of their spending nowadays compared to last year.

However, of note is that 63% still treat themselves nowadays despite the recession.



Other 'benefits' of the recession

Base: All Adults aged 16+ 962



64% spending more quality time at home nowadays.



Indeed many agree (51% vs 37% disagree) that the recession may be good for people in the long run.

76% view it as a good time to retrain or educate oneself.



54% cooking more at home in 2010



One third claim they are going to enjoy holidaying in Ireland this coming year.



Savings

Base: All Adults aged 16+ 962



The recession is affecting a broad spectrum of Irish people. Hence it is not surprising that only 1 in 5 feel they are saving more nowadays compared to a year ago.



There is no Quick Fix

Base: All Adults aged 16+ 962



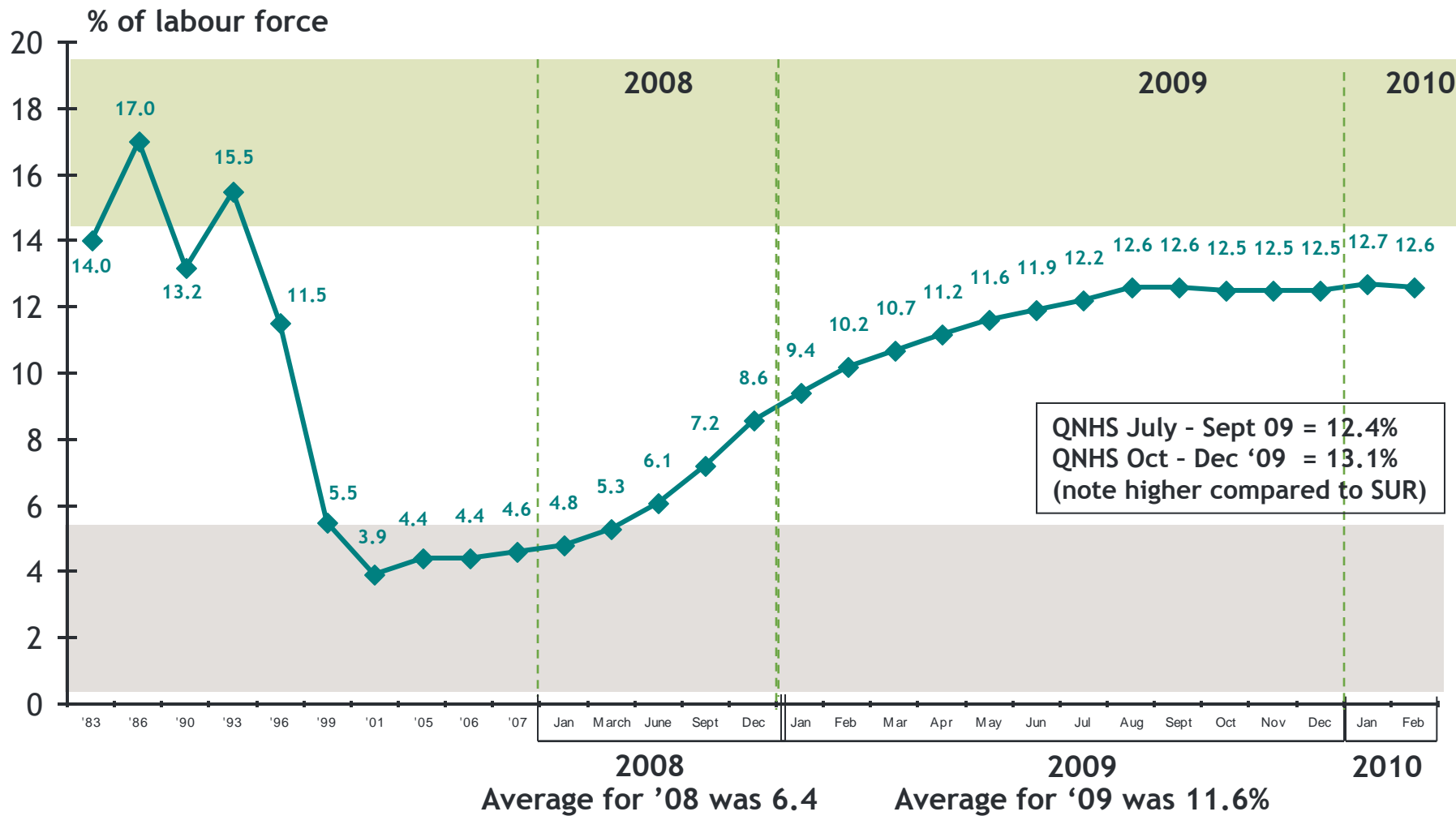
Only 7% feel the recession will be over by the end of 2010.

CSO DATA

(latest estimates 2010)

Unemployment Rates

Seasonally adjusted



*Source: Line chart relates to CSO latest estimates published March 2010 (seasonally adjusted standardised unemployed rates (SUR))

The unemployment rate does not take into account reduced working hours up to 3 days a week, etc as does the Live Register

Unemployment highlights of the latest CSO QNHS Oct-Dec 2009

- The rate of unemployment rose to a seasonally adjusted 13.1% over the final three months of last year.
- That figure was up from 12.4% in the previous three months and 8.1% a year earlier.
- More than 60% of the fall in the number of men in employment is down to a drop of 77,700 employed in the construction sector.
- Younger age groups have seen shocking rises in unemployment, especially for males. Note that most of the damage was done in the construction sector. The unemployment rate for 20-24 year-old males is 32.3%; for 25-34 year-olds, it has reached 18.1%. Female unemployment rates in those age groups are about half of those for males as female employment is skewed more towards public services.
- At the end of last year, 189,100 men and 78,400 women were unemployed, which is an increase of 57% for men and 49% for women over the year.
- The unemployment rate among those with a third-level honours degree or above was 6.1%.

Unemployment highlights of the latest CSO QNHS Oct-Dec 2009

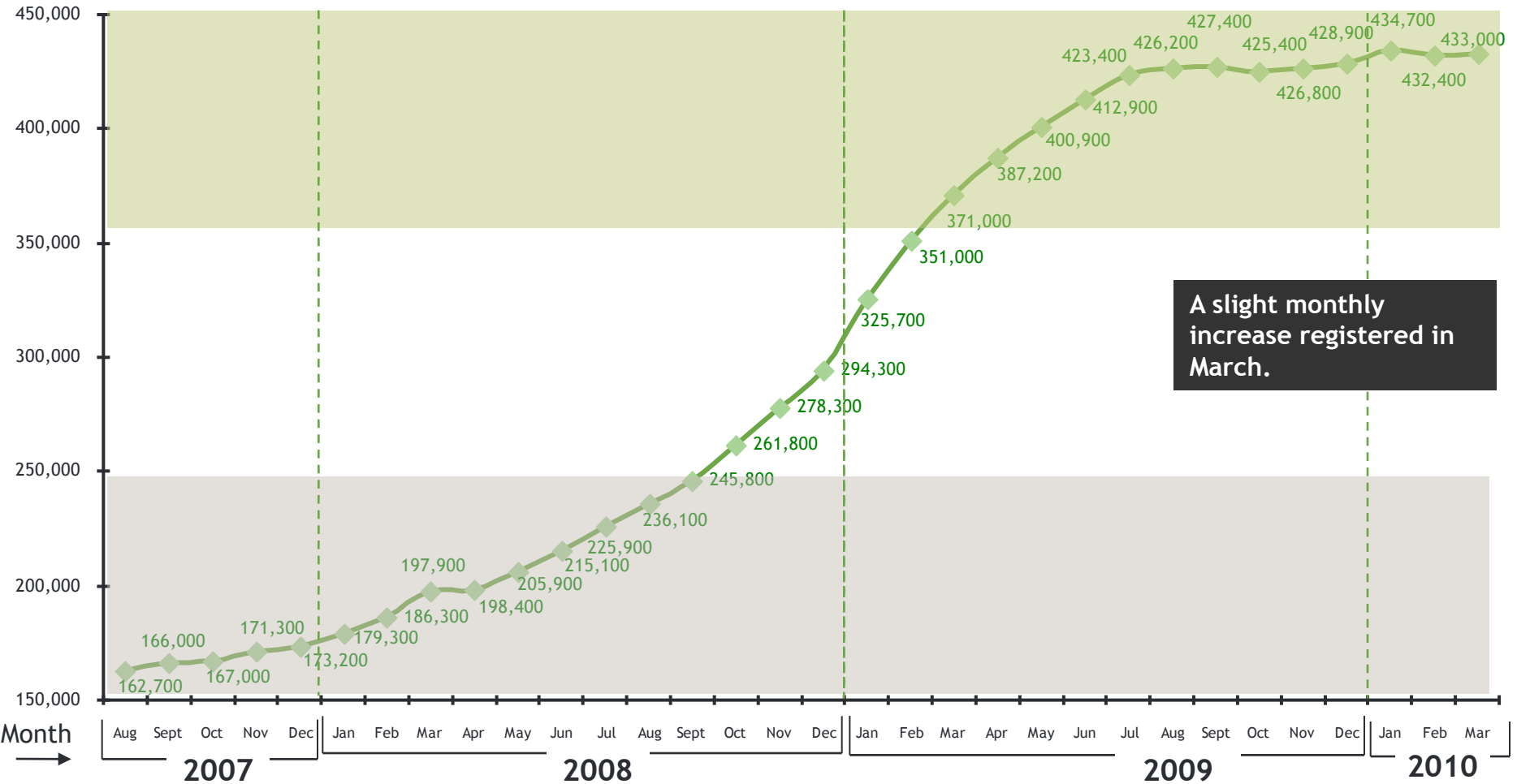
- Unemployment among those with a third-level non-honours degree was 8.6%.
- The figures also show a sharp rise in long-term unemployment - people out of work for more than a year.
- The number of people unemployed in the final quarter of last year was 267,400, up 97,700 (56.6%) from a year earlier.
- More than half of this increase was in long-term unemployment, bringing the number of people under this heading to 89,100.
- The long-term unemployed now make up one-third of total unemployment, compared with just over a fifth a year earlier.
- The number of non-Irish people in the labour force fell by 33,600 or 10% over the year.

The Live Register

Seasonally adjusted

Total Persons

Persons on live Register



A slight monthly increase registered in March.

*Source: CSO latest estimates March 2010

* The Live Register is not designed to measure unemployment. It includes part-time work e.g. seasonal & casual workers who work up to 3 days per week

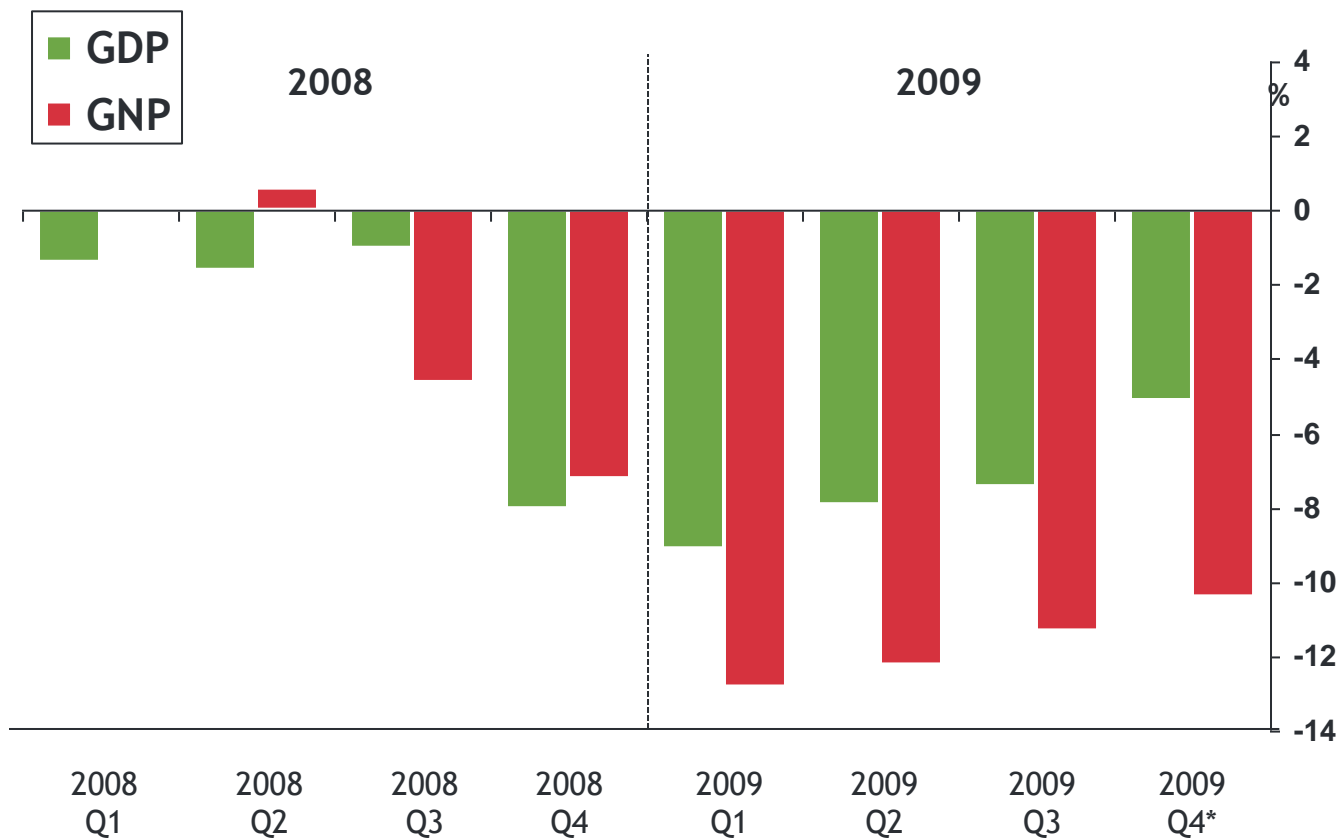


Biggest Baby Boom in Decades as Slump Hits Home

- The recession appears to have sparked the biggest baby boom in nearly 30 years.
- More babies were born during the third quarter of 2009 than at any time since 1980.
- There were 19,289 births registered in that three-month period, an increase of 1.3pc on the previous year.
- Even more surprisingly, the number of babies born is a massive 38pc higher than it was at the height of the boom in 2000, when fewer than 14,000 babies arrived in the corresponding period.
- This means the annual birth rate has jumped from 14.7 per 1,000 population in 2000, to 17.3 births per 1,000 last year.
- North Dublin mothers were the most fertile, with 23 births per 1,000 people in Fingal, nearly twice the birth rate seen in Co Monaghan.
- Almost one in three births nationwide was outside marriage, or 6,256 in total, although more than half of the parents involved lived together.
- Nearly half of all the babies born in Cork City (47%) were to unmarried mothers and the rate in Limerick City was 46%.

*Source: CSO Estimates as of 25th March 2010

Pace of Decline Slowing

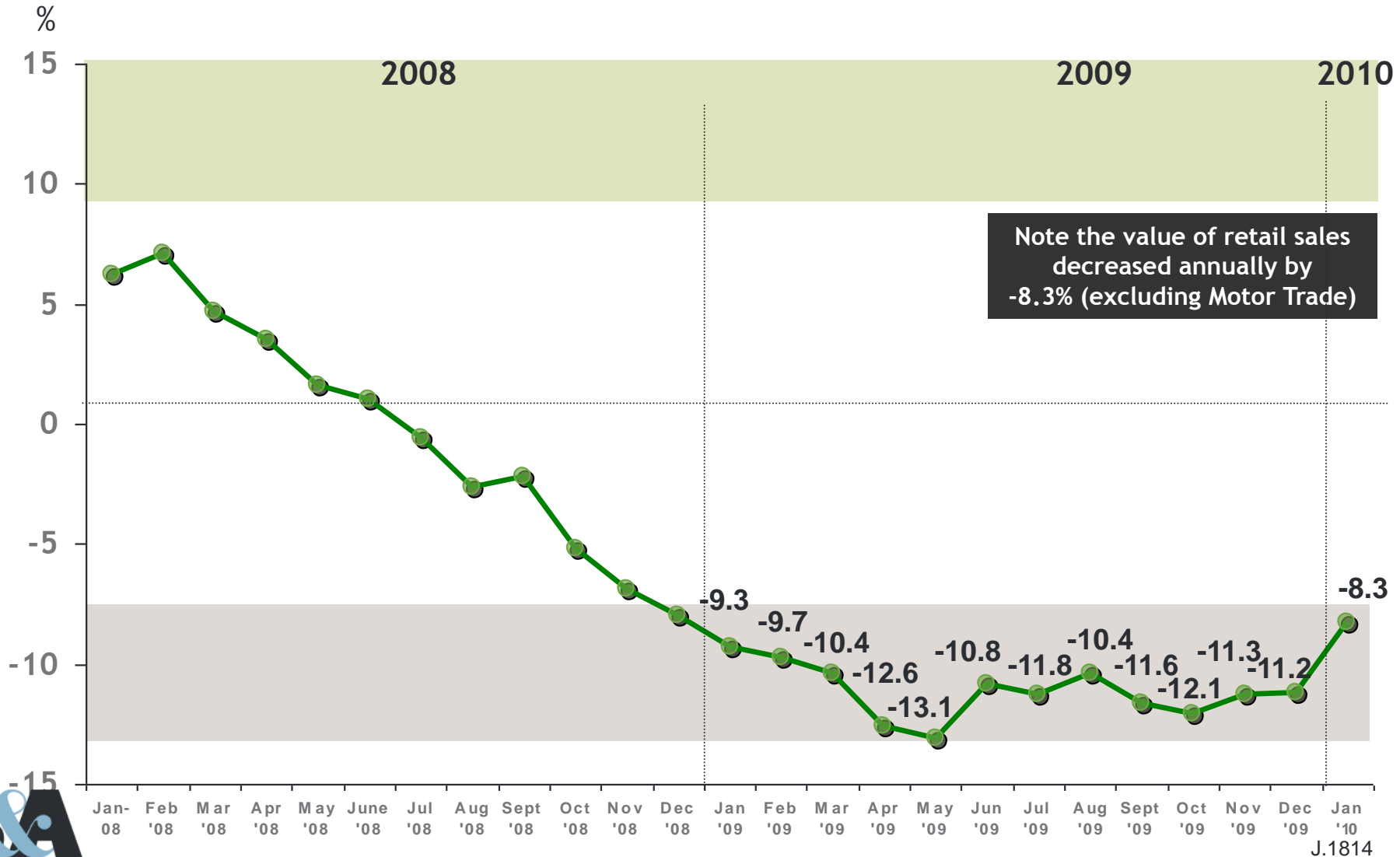


*Source: CSO Estimates as of 25th March 2010

GDP for the year was down 7.1% while GNP fell to 11.2%. This indicates that the Irish economy contracted at a record rate in 2009 - the largest decline in output recorded in a single year. However the annual pace of decline in GDP slowed considerably as the year progressed.

Value of Retail Sales (Excluding Motor Trade) Seasonally Adjusted Annual % Change

Base: Year 2005 = 100



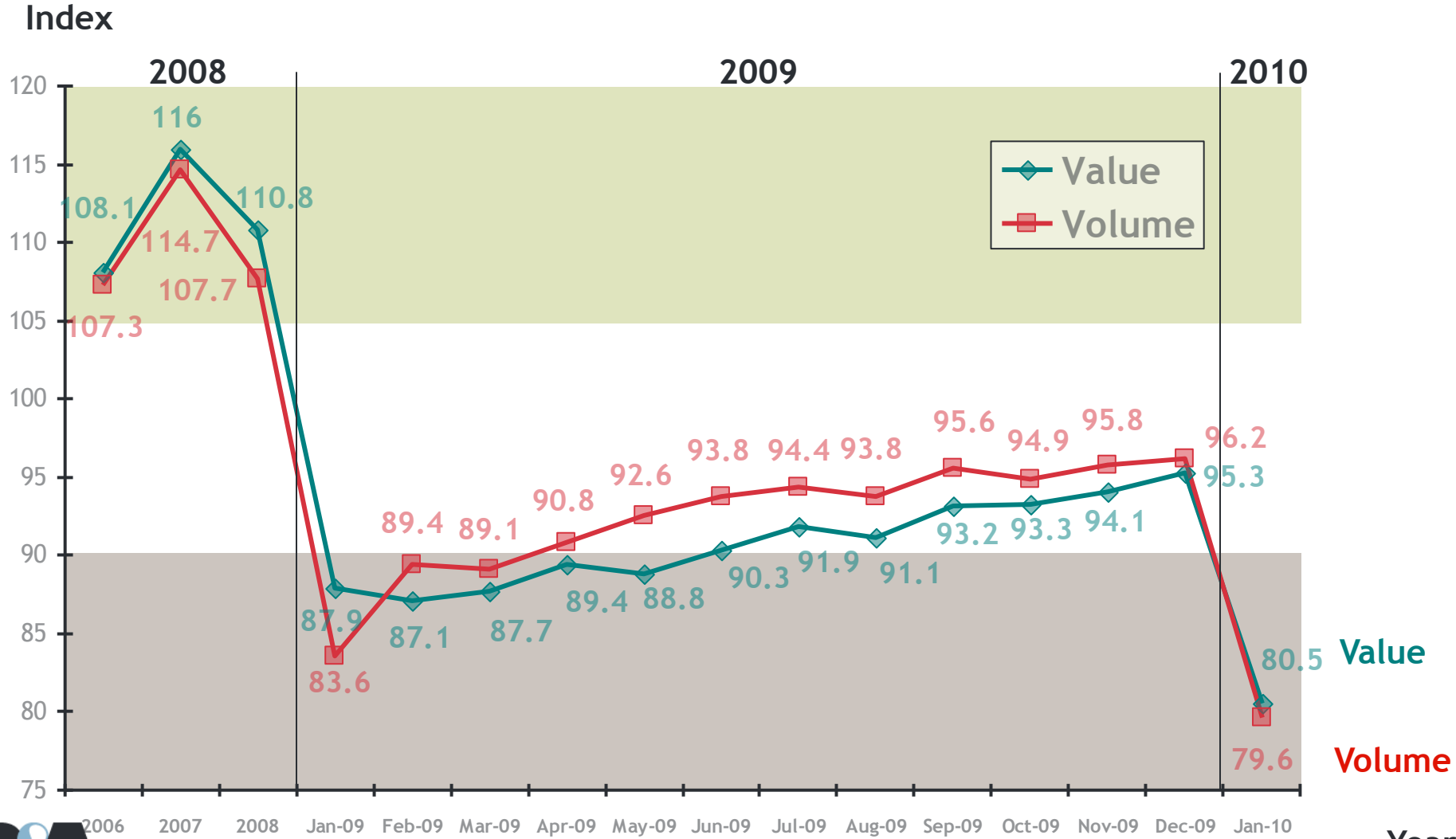
* Source: CSO latest estimates March, 2010. Base year : 2005 = 100

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Volume & Value of Retail Sales

(All Business Combined)

2006-2009 (Index 2005 = 100)

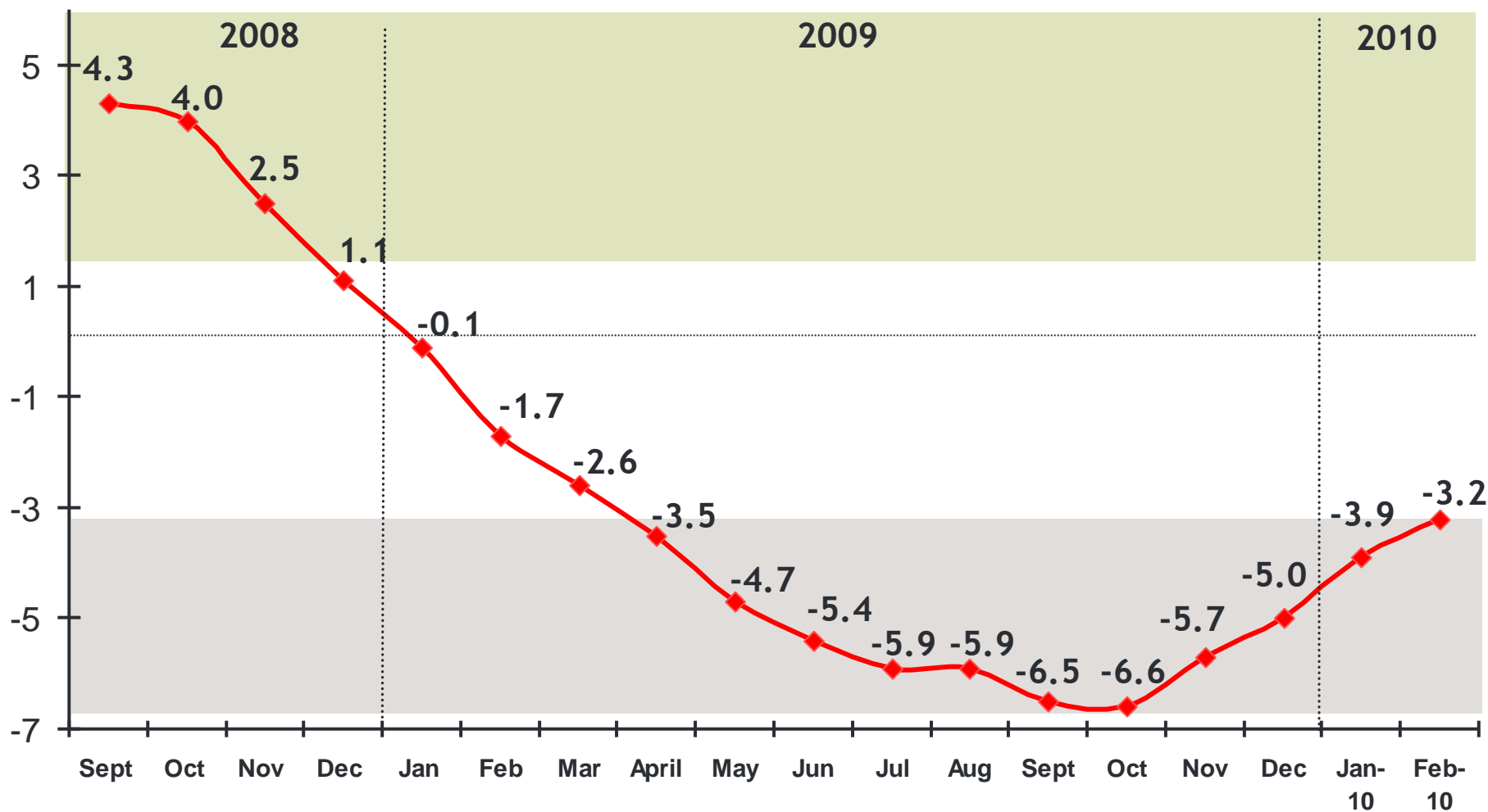


*Source: CSO latest estimates March 2010.

The total value of retail sales (all businesses combined) in 2009 decreased by -17.9% while volume declined by -14%.

Rate of Deflation Reversing Towards April '09 Levels

% Annual Change

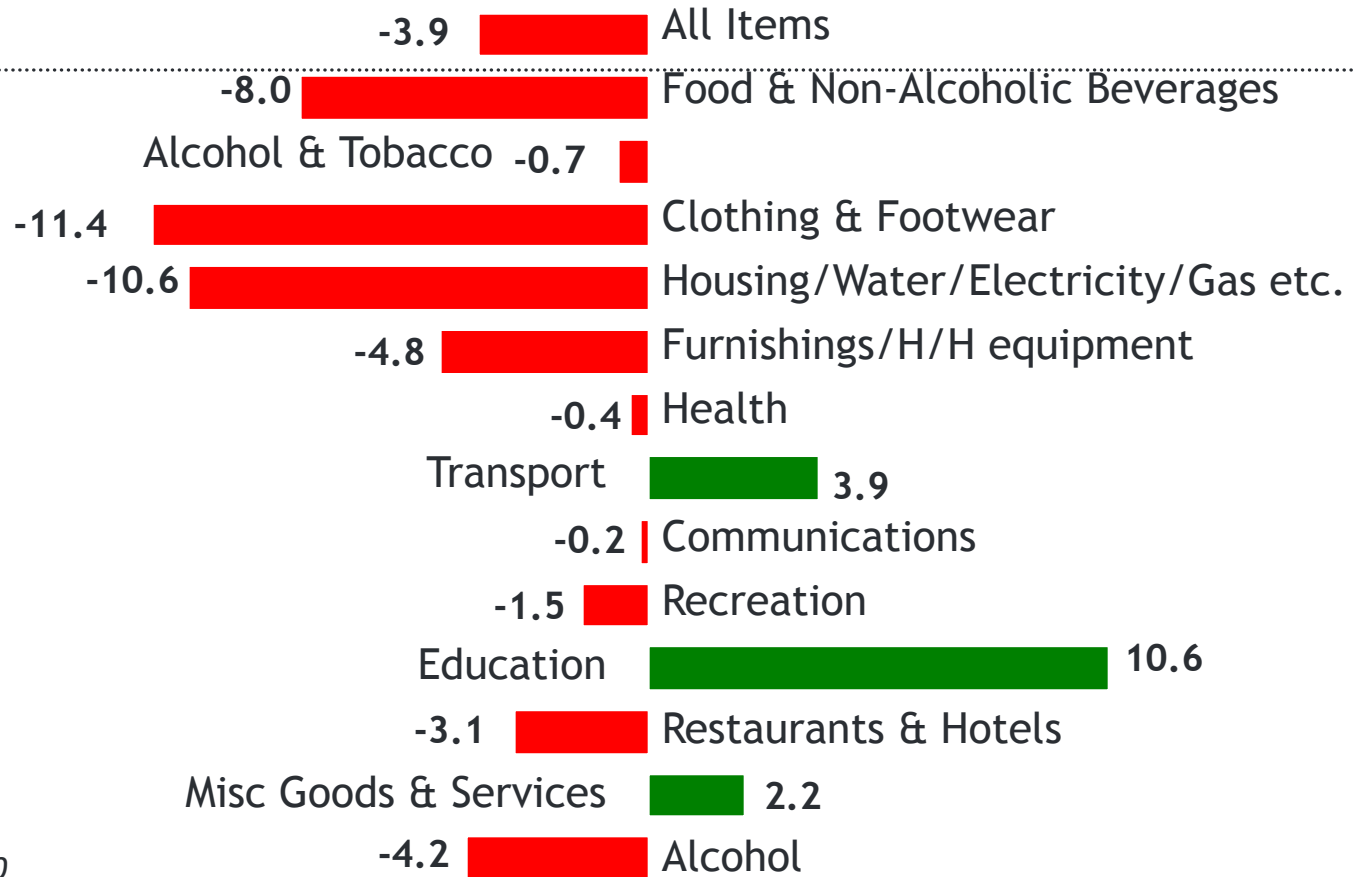


*Source: CSO latest estimates March 2010

Prices fall by 3.2% in the year to February.

Contribution of main CPI Groups to the overall CPI

Annual % change: February 2010



Source: CSO March 2010

The only items increasing in price are State controlled ones.

APPENDICES

The Questionnaire

SECTION 'F' - ECONOMY

ASK ALL RESPONDENTS aged 16+

Q.1 Thinking about the economy as a whole, do you think that the country is better off, worse off, or about the same as last year?

Better off	1
Worse off	2
The same	3

Q.2 And what about the coming year, do you think that the country will be better off, worse off or about the same as this year?

Better off	1
Worse off	2
The same	3

Q.3 Do you yourself feel better off financially, worse off financially or about the same compared to last year?

Better off	1
Worse off	2
The same	3

Q.4 In terms of your own economic well-being over the year ahead, are you more confident, less confident or is your confidence about the same as last year?

More confident	1
Less confident	2
No change	3

Q.5 Do you expect your income in the next year, after inflation and taxes, to be higher, lower or the same as in the last twelve months?

Higher	1
Lower	2
The same	3

Q.6 Do you expect your assets (your house, shares, pension entitlements, savings) In the next year to be higher, lower or the same as in the past year?
PROBE: A lot or a little

A lot higher	1
A little higher	2
No change	3
A little lower	4
A lot lower	5

Q.7 In the year ahead, do you expect to purchase more, less or the same amount of goods and services as in the past year?

More	1
Less	2
The same	3

Q.8 Do you expect to save more, less or the same amount in the year ahead compared with the last twelve months?

More	1
Less	2
The same	3

SHOW CARD

Q.9 Are you very, somewhat, not very or not at all concerned that you or someone in your household may lose their job in the next six months?

Very concerned	1
Somewhat concerned	2
Not very concerned	3
Not at all concerned	4
Someone in household has already lost their job	5
Don't know	6

SHOW CARD

Q.10 To what extent do you strongly agree, agree, disagree or strongly disagree with each of the following statements? READ IN ORDER

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know
a) My household is struggling to make ends meet	1	2	3	4	5
b) Compared to a year ago, my household is having more difficulty making ends meet	1	2	3	4	5

SHOW CARD' ' AGAIN

Q.11 To what extent do you strongly agree, agree, disagree or strongly disagree with each of the following statements? READ IN ORDER

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know
The recession is here, so people just need to get on with living in this new world	1	2	3	4	0
I feel more in control of my spending nowadays compared to last year	1	2	3	4	0
I am more careful about my money and what I spend it on nowadays	1	2	3	4	0
I still treat myself nowadays despite the recession	1	2	3	4	0
I am actually saving more nowadays compared to a year ago.	1	2	3	4	0
There are a lot of good deals around on different products and services which I am availing of	1	2	3	4	0
I am spending more quality time at home nowadays	1	2	3	4	0
I am cooking more at home this year	1	2	3	4	0
The recession will be over by the end of 2010	1	2	3	4	0
Now is a good time to retrain or educate oneself	1	2	3	4	0
The recession may be good for people in the long run	1	2	3	4	0
I'm going to enjoy holidaying in Ireland this coming year	1	2	3	4	0