



RESEARCH
& INSIGHT

Consumer Confidence Tracker

May 2022

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J.1665





Introduction



This report presents the findings of B&A's latest Consumer Confidence Tracker.



Survey results are based on a sample of 1,002 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 this wave was conducted via B&A's Acumen online barometer.



Fieldwork on the latest wave was conducted from the 14th - 24th May 2022.

About B&A

- B&A is Ireland's largest and most experienced independently owned research company.
- We pride ourselves on having the most experienced director team in Ireland.
- Established over 30 years ago, B&A provides a full range of market research & data analytics services, ranging from CAPI, CATI, online and of course qualitative.
- Specialist sectors include: Retail & Shopper, Technology & Telecoms, Media, Financial, Political & Social, Automotive, Healthcare and Public Sector & Utilities.

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Key highlights

Slight improvement in consumer confidence but strong concerns about rising prices remain.

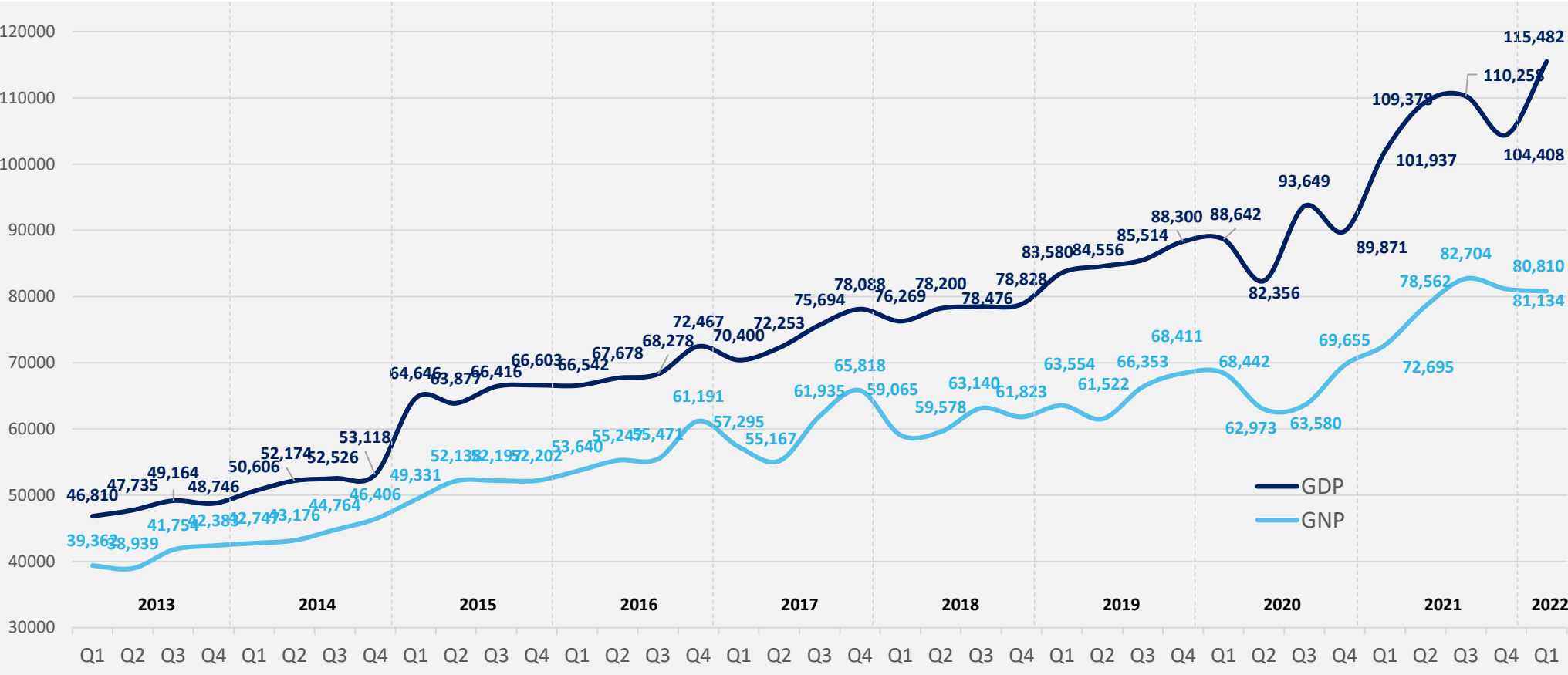
- This wave of the B&A Consumer Confidence Barometer was conducted from the 14th - 24th of May 2022.
- Following a sharp decline in consumer confidence caused by the war in Ukraine and rising prices, consumer confidence is up slightly from -62 in April to -57 in May.
- However, 2 in 3 still believe the country will be worse off in the coming year, with just 1 in 10 believing that we will be better off.
- Those living outside Dublin are significantly more pessimistic in their outlook than those living in Dublin.
- With half expecting their disposable income to be lower in the coming year, consumers remain cautious in terms of spend but spend intention has improved compared to the low level seen in April.
- Outlook for personal assets continues to be net positive, with house prices going up.





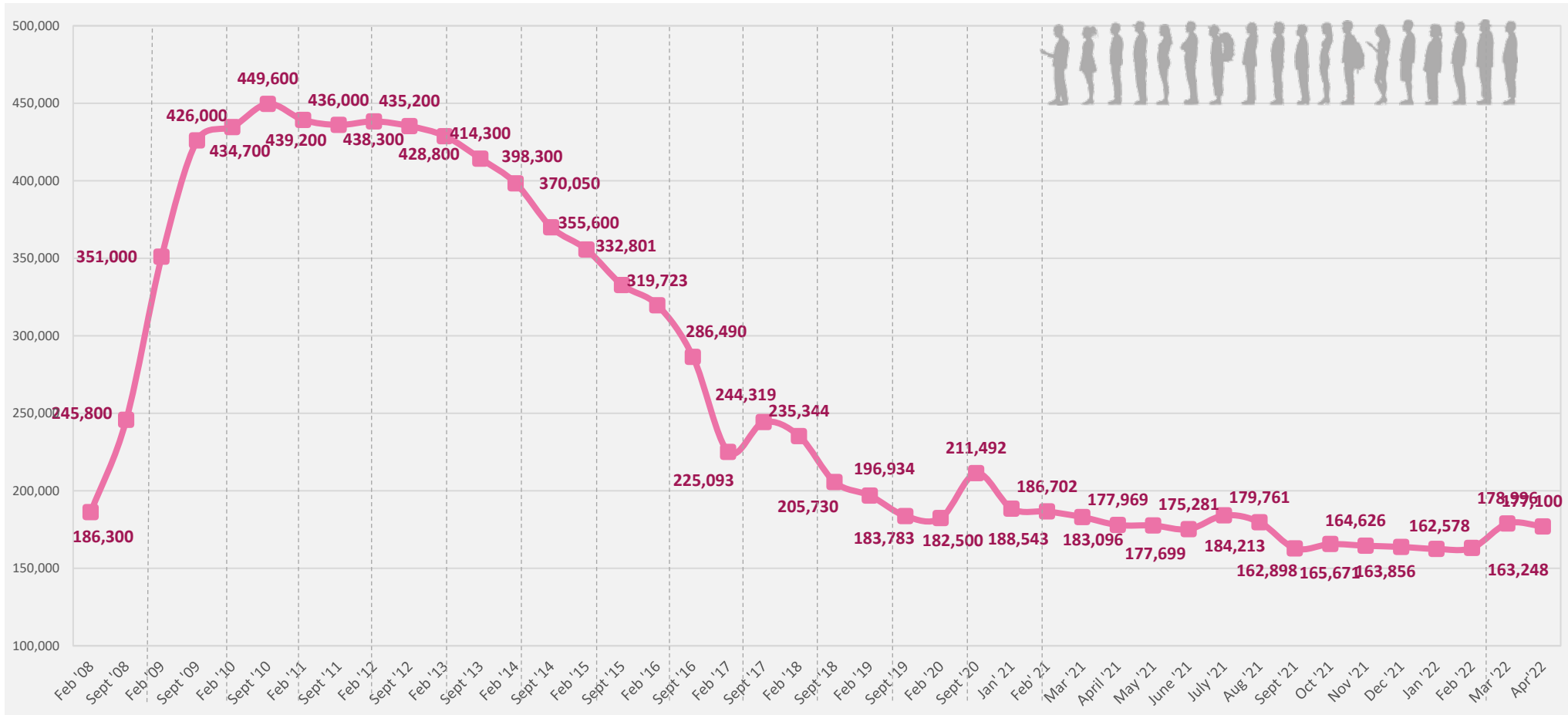
Macro context

The GDP bounces back in Q1 from the decline in Q4, while GNP sees a further slightly decline.



Source: www.CSO.ie
 Quarterly National
 Accounts

Live register figures shows a slight decline in April 2022



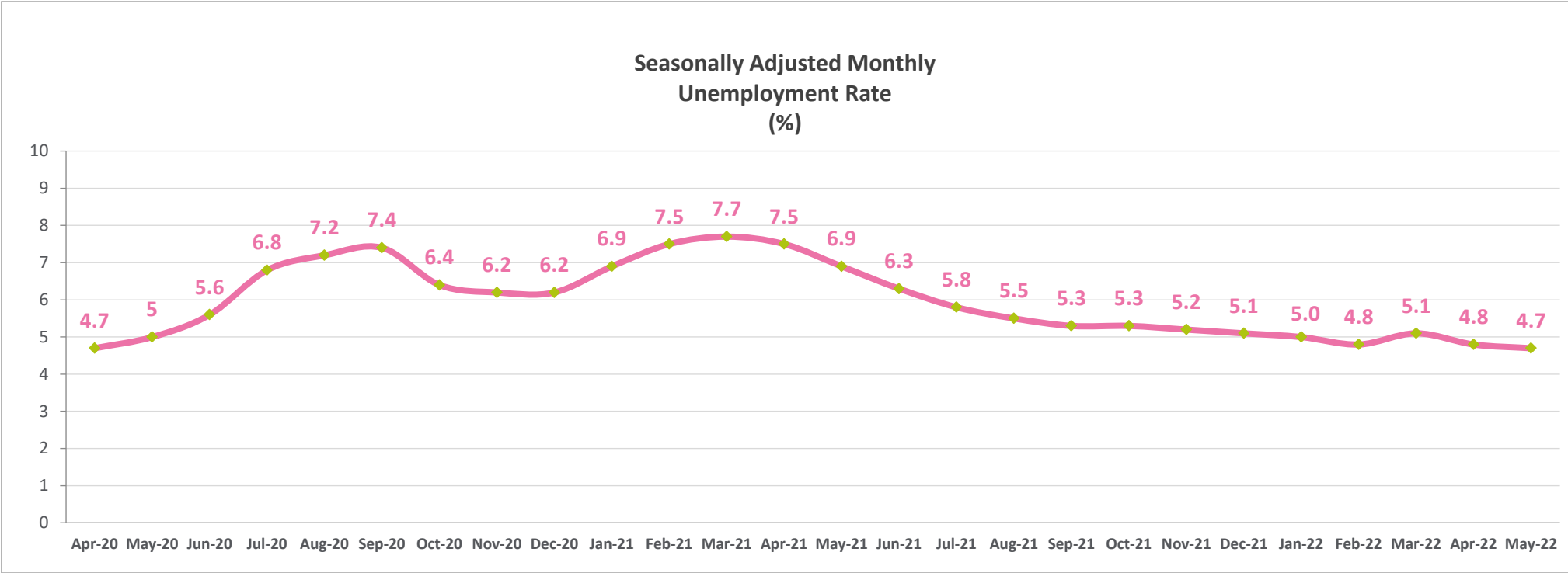
* The Live Register is not designed to measure unemployment. It includes part-time work e.g. seasonal & casual workers who work up to 3 days per week

The Live Register does not include those on Pandemic Unemployment Payments.

Seasonally Adjusted Monthly Unemployment Rate for May 2022 is 4.7% - stable compared to April 2022.



Seasonally Adjusted Monthly Unemployment Rate



Source: CSO website (Seasonally Adjusted Monthly Unemployment Rate)

The seasonally adjusted unemployment rate for May 2022 was 4.7%, down slightly from a rate of 4.8% in April 2022 and down from 6.9% in May 2021. The seasonally adjusted number of persons unemployed was 127,500 in May 2022, compared to 129,900 in April 2022. When compared to May 2021, there was an annual decrease of 46,700 in the seasonally adjusted number of people unemployed.

Consumer sentiment remains impacted by concerns around rising prices and a worry of a potential recession.



THE IRISH TIMES

Economy

EU hikes Irish inflation forecasts as it lowers European growth outlook

European growth would flatline this year in event of outright cut in Russian gas, EU says



EU Commission has hiked its Irish inflation forecasts as it lowered its growth outlook for EU, saying Russia's invasion of Ukraine 'posed new challenges'. Photograph: iStock

By Joe Brennan

Mon May 16 2022 - 11:14

IRISH Mirror

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Pensioner sells car to cope with cost of living crisis as protesters demand action from Government

Some 100 senior citizens, lone parents, workers and students gathered outside the Dáil on Thursday to protest the rising cost of living

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Rise in older people facing financial burden - Alone

Updated / Friday, 20 May 2022 22:24

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Varadkar at Davos: 'We will not go into recession, but there will be a slowdown'

Leo Varadkar is attending the World Economic Forum in Davos, Switzerland today.

May 24th 2022, 1:10 PM 28,846 Views 33 Comments

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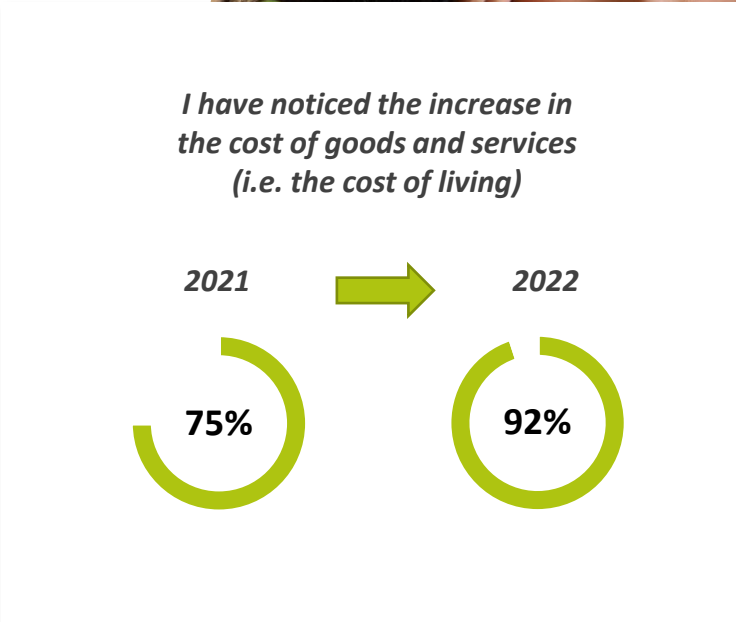
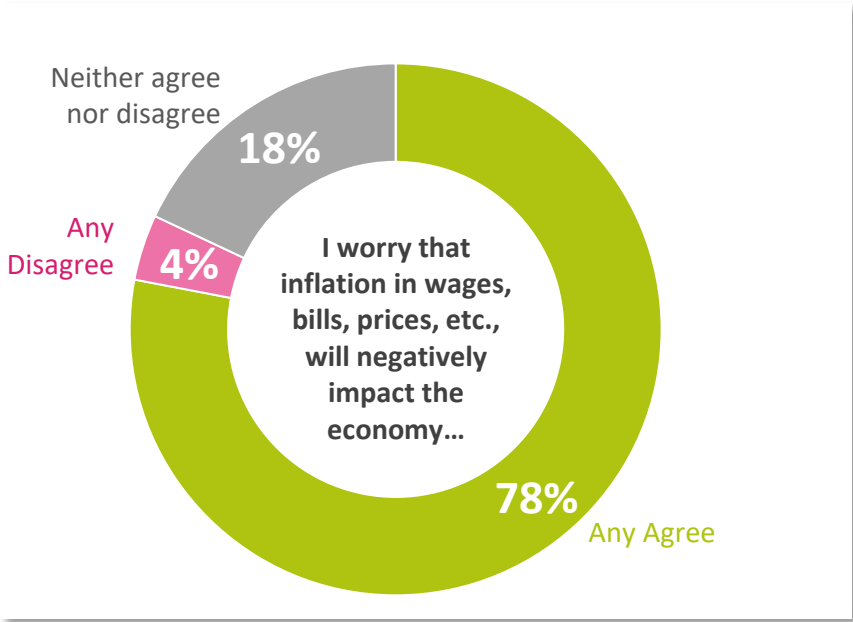
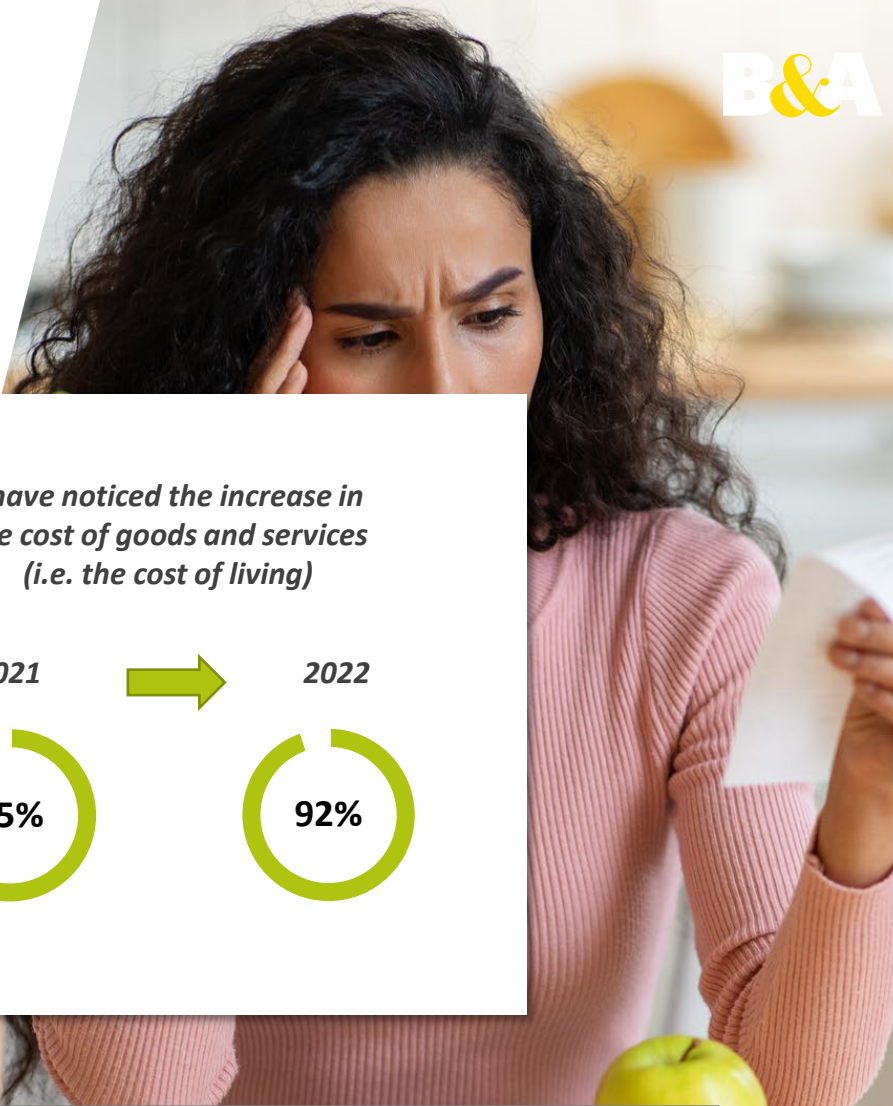
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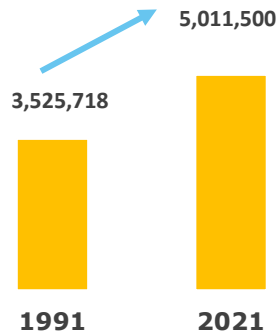
Unsurprisingly, concerns about inflation have rocketed

Base: All adults 16+ N = 1019



Concern about inflation and its impact on the economy is being noticed across the board.

Dramatic population growth & an aging society



This increase has been boosted by **645,500 non-Irish nationals** (12.9% of total pop) and a **large growth in those over 65** which has reached **742,300** (14.8% of total pop.) In 1991, there was a total of 402,880 people over 65 showing a major shift in this cohort. By 2031 the projection is for the 65+ cohort to account for 1 million.

Alongside this, the mortality rate has been increasing and is projected to continue on this path with life expectancy set to increase by 2.5% for males and 2% for females in the short term, and 1.5% in the long term.



Better economic situation

Both periods experiencing major economic turbulence.

- **1991** – recession in the late 1980s
- **2021** – pandemic-induced recession and recovery



1991 saw a **19%** unemployment rate, while **2021** experienced a **12.4%** unemployment rate when you account for the **COVID-19 adjusted measure of unemployment**.

When considering both economic situations, it is important to acknowledge that the **2021** experience has **improved significantly** in a very short time. For example, in the space of one year (**August 2020 to August 2021**) the unemployment rate dropped from **17.1% to 12.4%**.



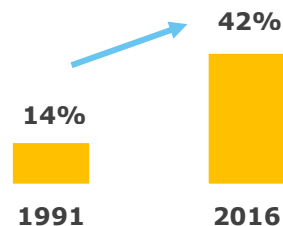
Therefore, economic outlook of respondents may well be more positive than that of 1991 respondents given the quick dip and rapid recovery nature of this recession.



Higher educational attainment

Seismic shift has been seen in the area of education with a particularly significant jump in those who have gained a **third level education** between 1991 and 2016 (last census).

In **1991**, the number stood at **13.6%**; in **2016** this jumped to **42%**.



Unsurprisingly this increase in third level attainment has been paired with a massive drop in those who have **no formal education**; moving from **34.4% in 1991** to **13.3% in 2016**.

This has a **lasting impact on our views** and thus this research, given that those who achieve a third level education are more likely to be more liberal in their opinions and behaviours.



Consumer confidence findings

In May, consumer confidence improves slightly, but concerns about rising costs and the economy remain.

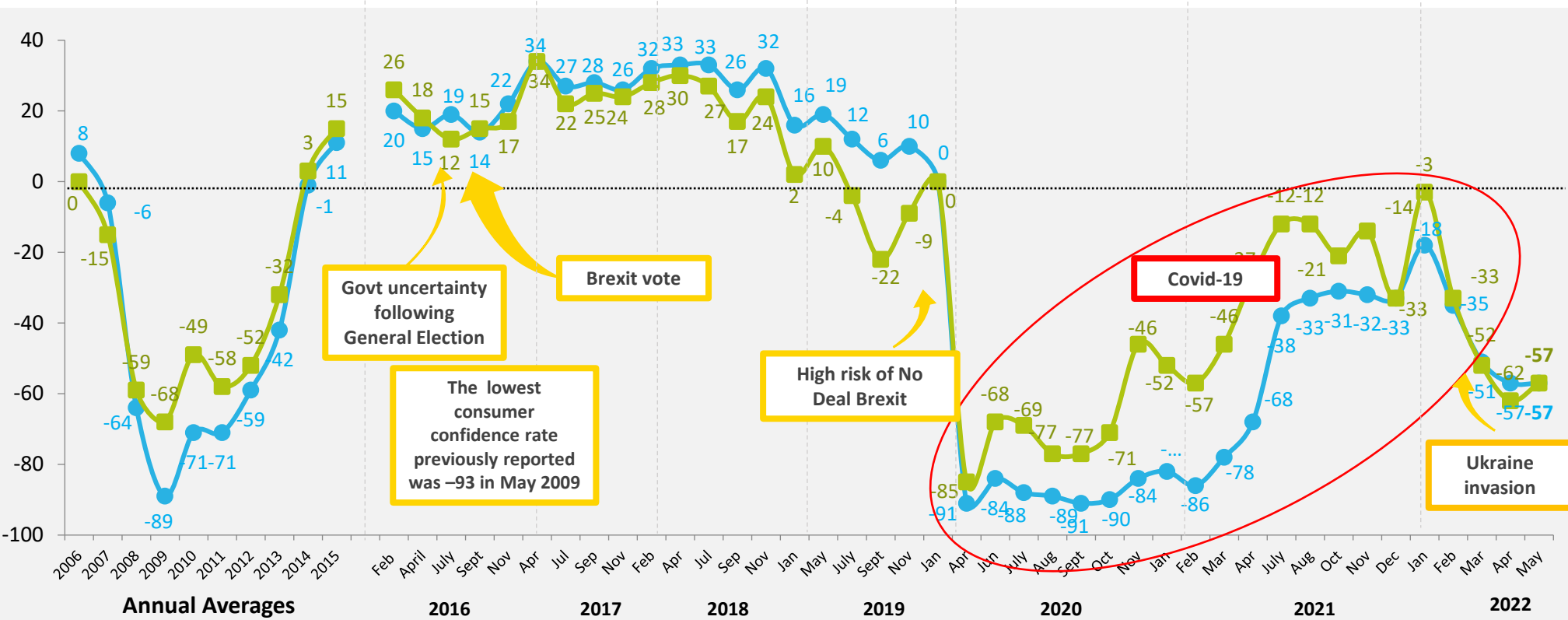
Current vs. Looking Forward

Looking forward

(Net Diff: Positive-Negative)



Dublin **-47%**
Outside Dublin **-61%**



*Figures in the graph represent the net difference between those thinking the country will be economically better off minus those thinking it will be worse off.

Source: B&A Consumer Confidence Report



Stark difference in consumer sentiment between those living in and outside of Dublin.

Base: All Adults 16+

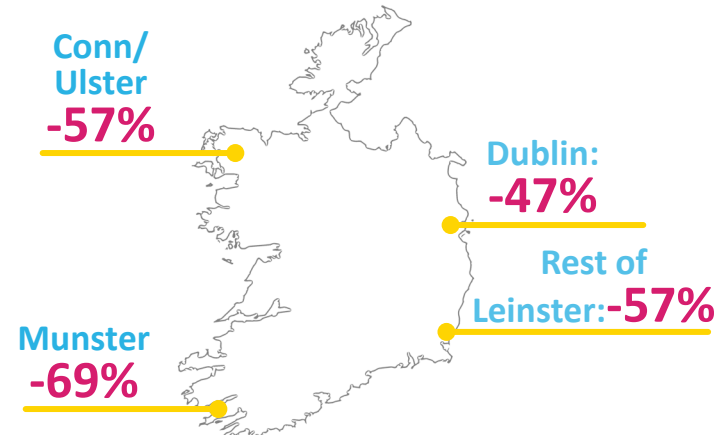
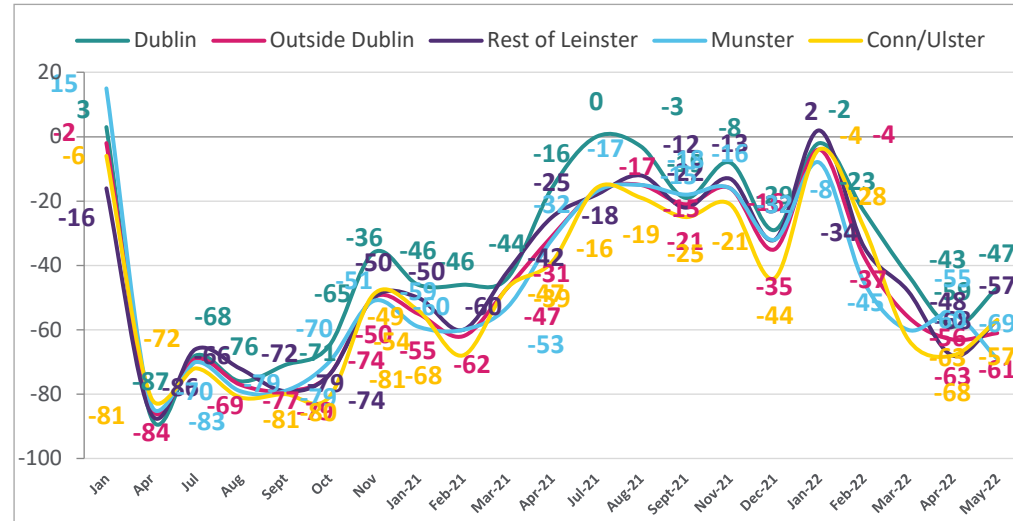
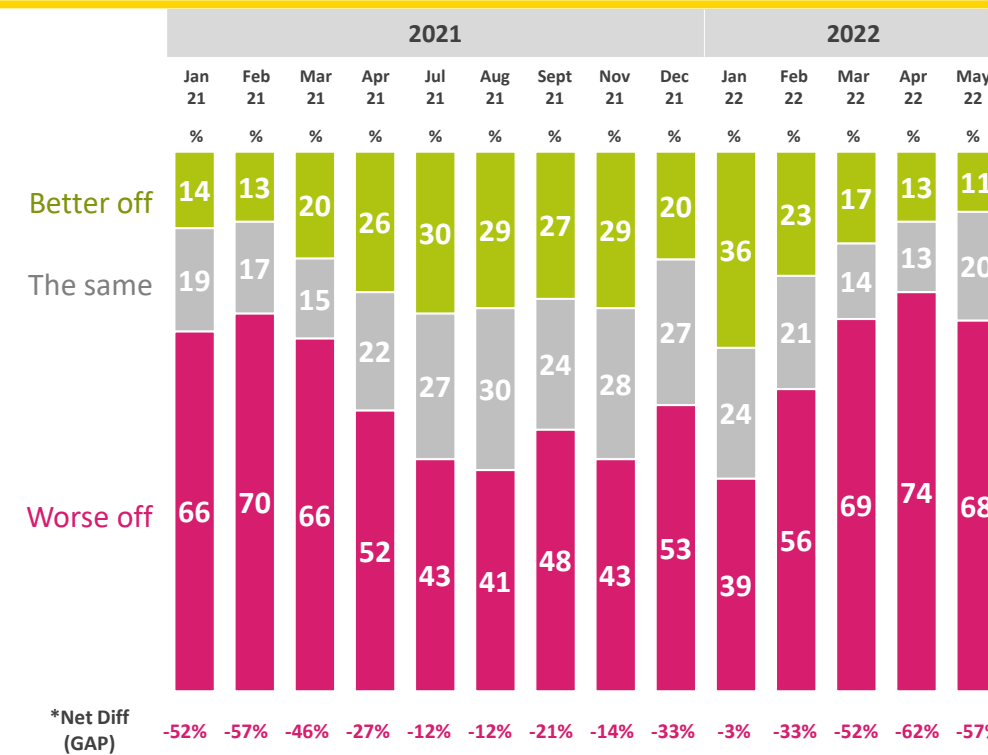


Consumer confidence has marginally increased across the board, except for Munster residents, who are the most pessimistic.



Base: All Adults 16+

	Looking forward '21					Looking forward '22				
	July	Aug	Sept	Nov	Dec	Jan 22	Feb 22	Mar 22	Apr 22	May 22
Dublin	=	-3	-19	-8	-29	-2	-23	-43	-59	-47
Outside Dublin	-17	-15	-21	-16	-35	-4	-37	-56	-63	-61



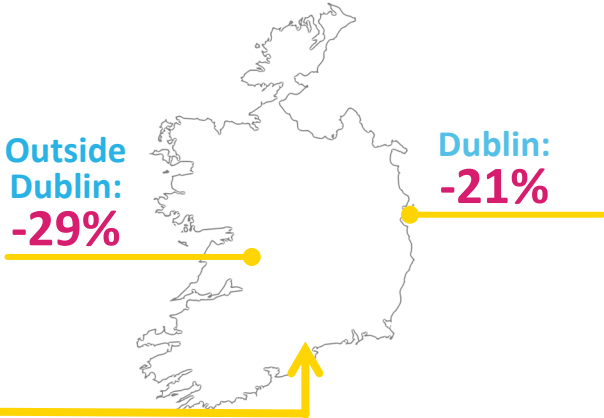
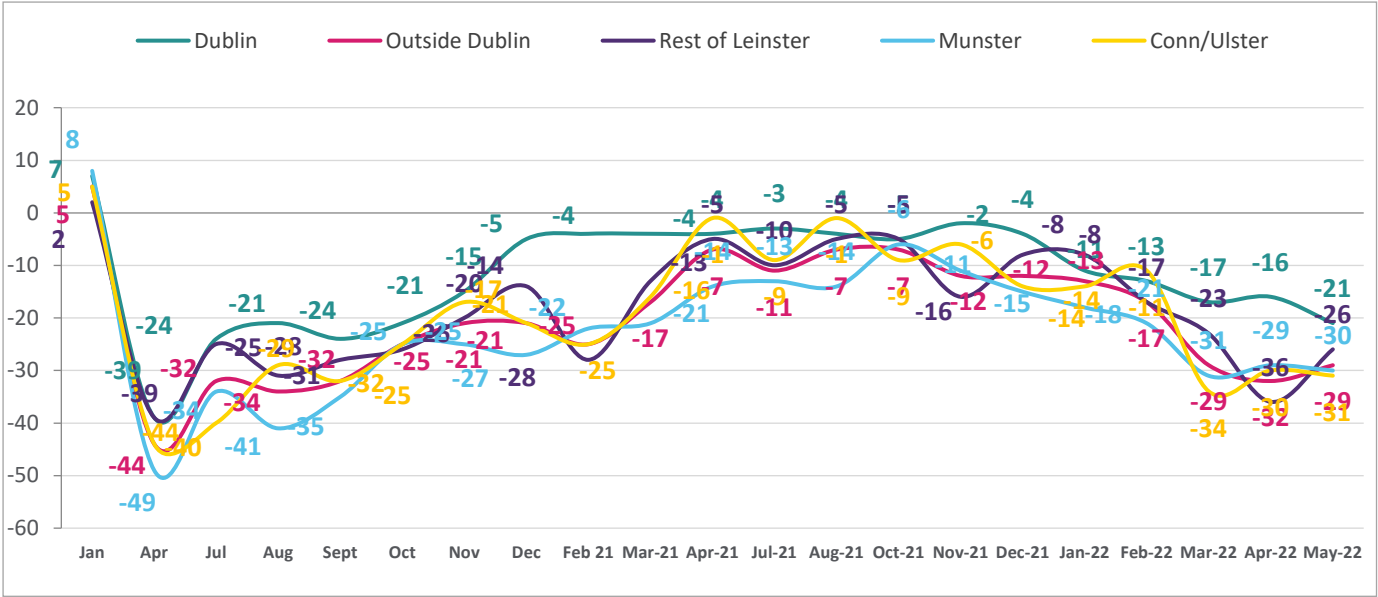
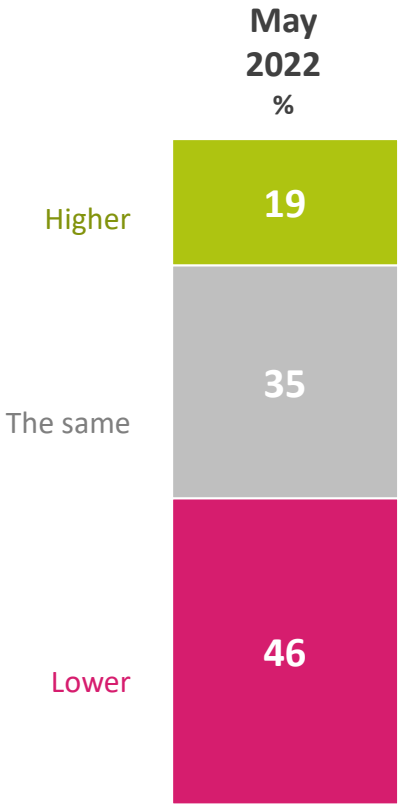
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Jan 19	May 19	July 19	Sept 19	Nov 19	Jan 20	Apr 20	Jun 20	July 20	Aug 20	Sept 20	Oct 20	Nov 20	Jan 21	Feb 21	Mar 21	Apr 21	Jul 21	Aug 21	Sept 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22
Gap	-15%	-59%	-68%	-49%	-58%	-52%	-32%	+3%	+15%	+18%	+26%	+22%	+2%	+10%	-4%	-22%	-9%	0%	-85%	-68%	-69%	-77%	-77%	-71%	-46%	-52%	-57%	-46%	-27%	-12%	-12%	-21%	-14%	-33%	-3%	-33%	-52%	-62%	-57%



Almost half anticipate their income to be lower next year after inflation and taxes - this is unchanged compared to April.



Base: All Adults 16+



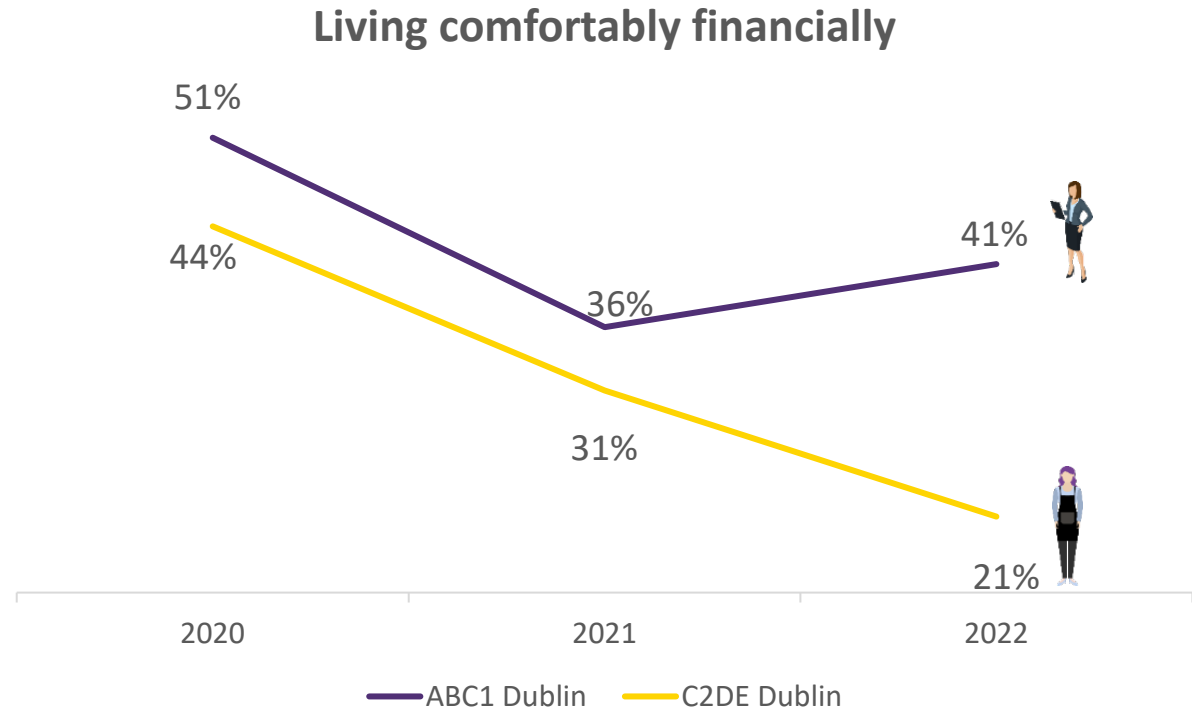
Personal finances continue to be a source of concern for both Dublin and those who live outside Dublin.

*Net Diff (GAP) -26%

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Jan 19	May 19	July 19	Sep t 19	Nov 19	Jan 20	Apr 20	Jun 20	July 20	Aug 20	Sep t 20	Oct 20	Nov 20	Jan 21	Feb 21	Mar 21	Apr 21	Jul 21	Aug 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22
Gap	-15%	-59%	-68%	-49%	-58%	-52%	-32%	-22%	-6%	+3%	+8%	+12%	+9%	+8%	+2%	-8%	-2%	+6%	-43%	-36%	-30%	-31%	-30%	-24%	-20%	-16%	-19%	-13%	-7%	-9%	-8%	-6%	-9%	-10%	-12%	-16%	-25%	-27%	-26%

The pandemic has shone a stark light on the problems that were already facing Irish society

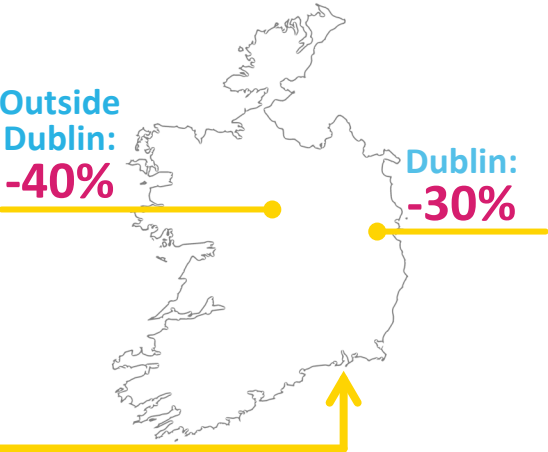
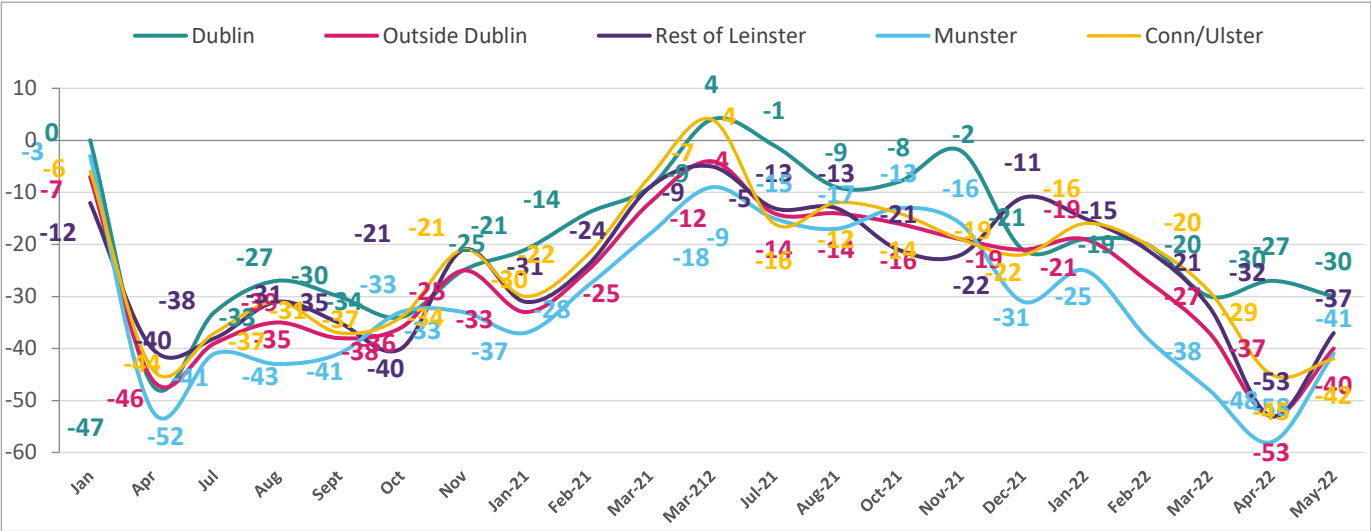
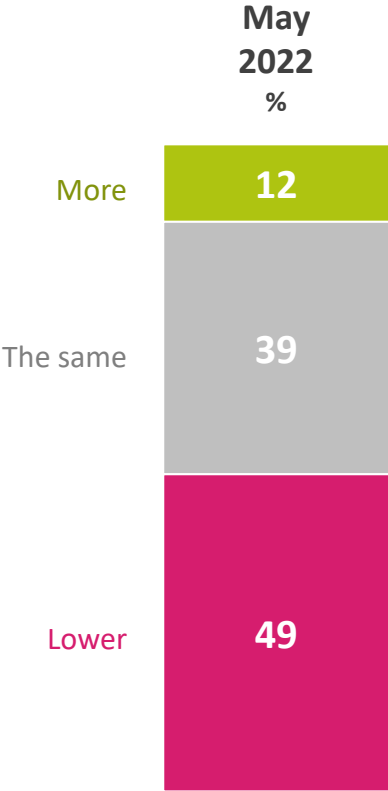
The gap between the middle and working class on financial security has widened since the onset of the pandemic – with middle classes now twice as likely to be living comfortably financially.



This gap is likely to extend into the medium term with increased pressure on household expenditure during the current inflationary period.

Spend intention is up in May, following a significant decline in April but half expect to spend less in the year ahead.

Base: All Adults 16+



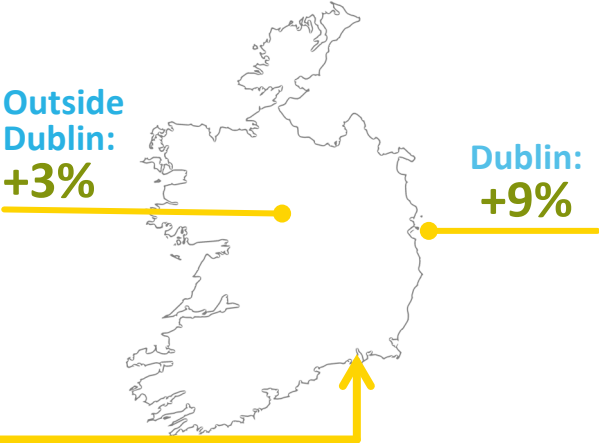
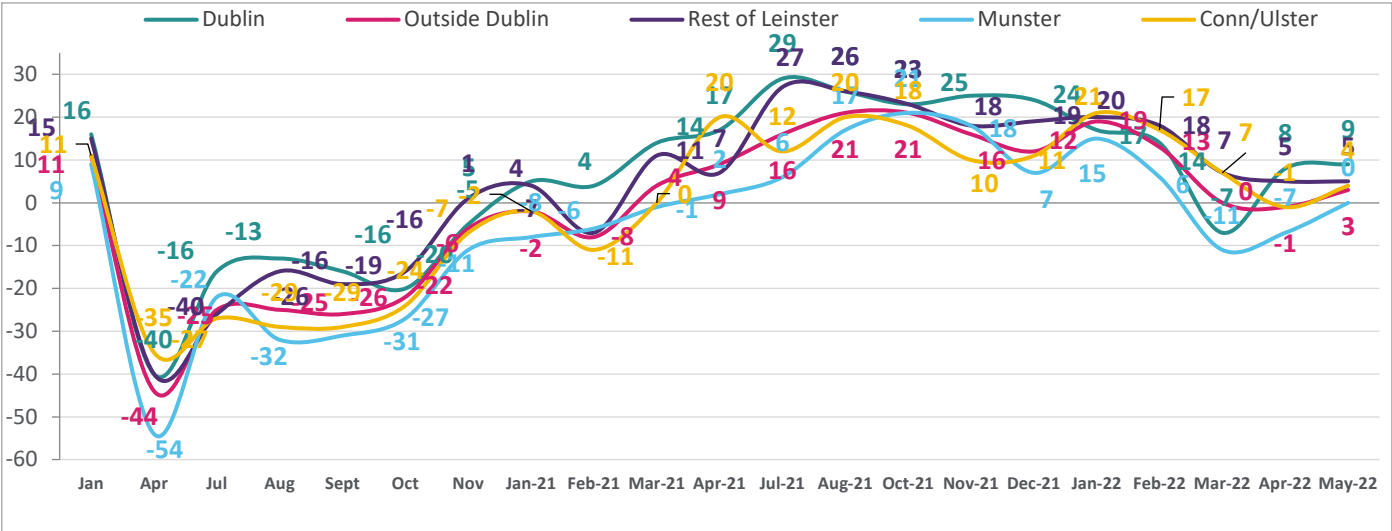
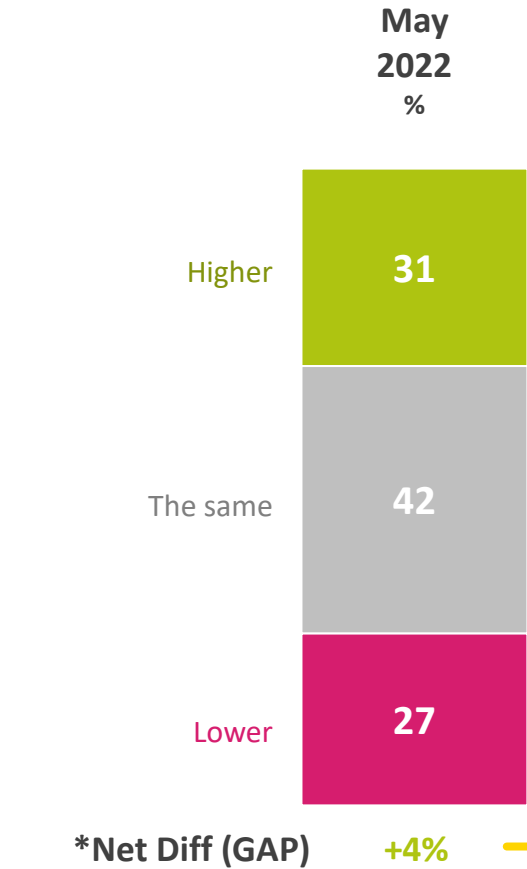
Across the country, there is a cautious attitude toward spending.

*Net Diff (GAP) -37%

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Jan 19	May 19	July 19	Sept 19	Nov 19	Jan 20	Apr 20	Jun 20	July 20	Aug 20	Sept 20	Oct 20	Nov 20	Jan 21	Feb 21	Mar 21	Apr 21	Jul 21	Aug 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22
Gap	+5%	-29%	-63%	-47%	-52%	-45%	-37%	-19%	-13%	-4%	=	+2%	-3%	-4%	-7%	-16%	-9%	-5%	-46%	-38%	-37%	-33%	-36%	-35%	-25%	-29%	-22%	-11%	-2%	-11	-13%	-14%	-14%	-21%	-19%	-25%	-35%	-45%	-37%

With increasing house prices, 1 in 3 expect the value of personal assets to increase in the year ahead.

Base: All Adults 16+

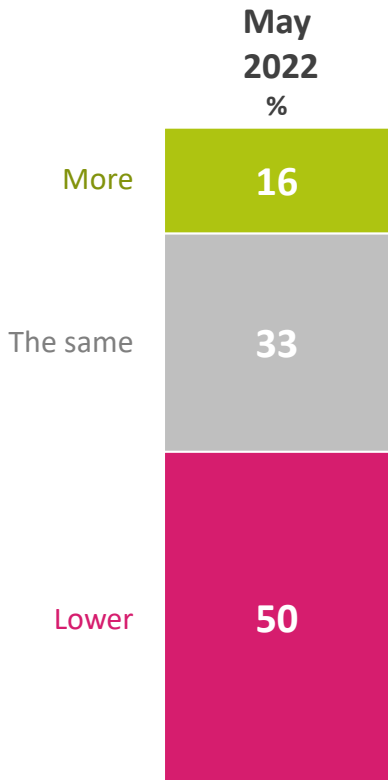


Dubliners are now more positive towards the future value of personal assets than those outside Dublin.

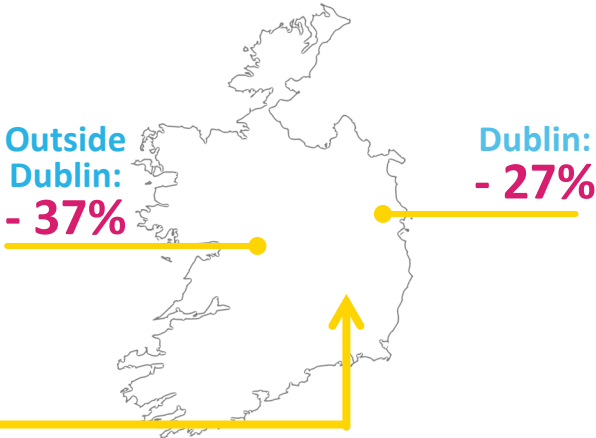
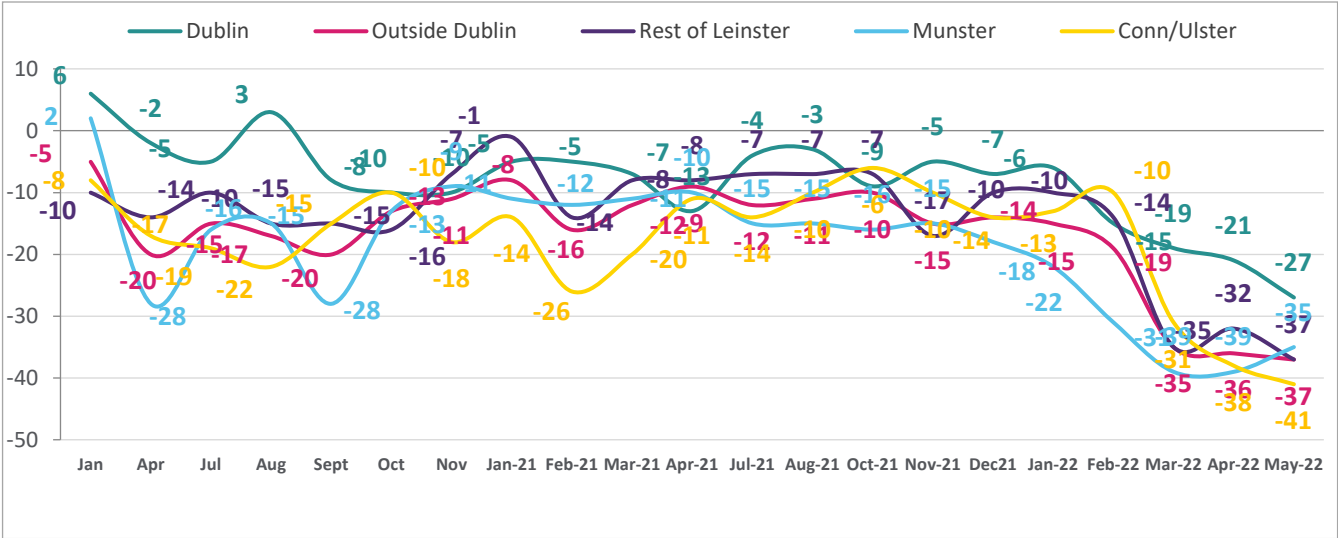
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Intention to save remains unchanged - with half expecting to save less in the coming year.

Base: All Adults 16+



*Net Diff (GAP) -34%



People who live outside of Dublin are more likely to save less in the coming year.

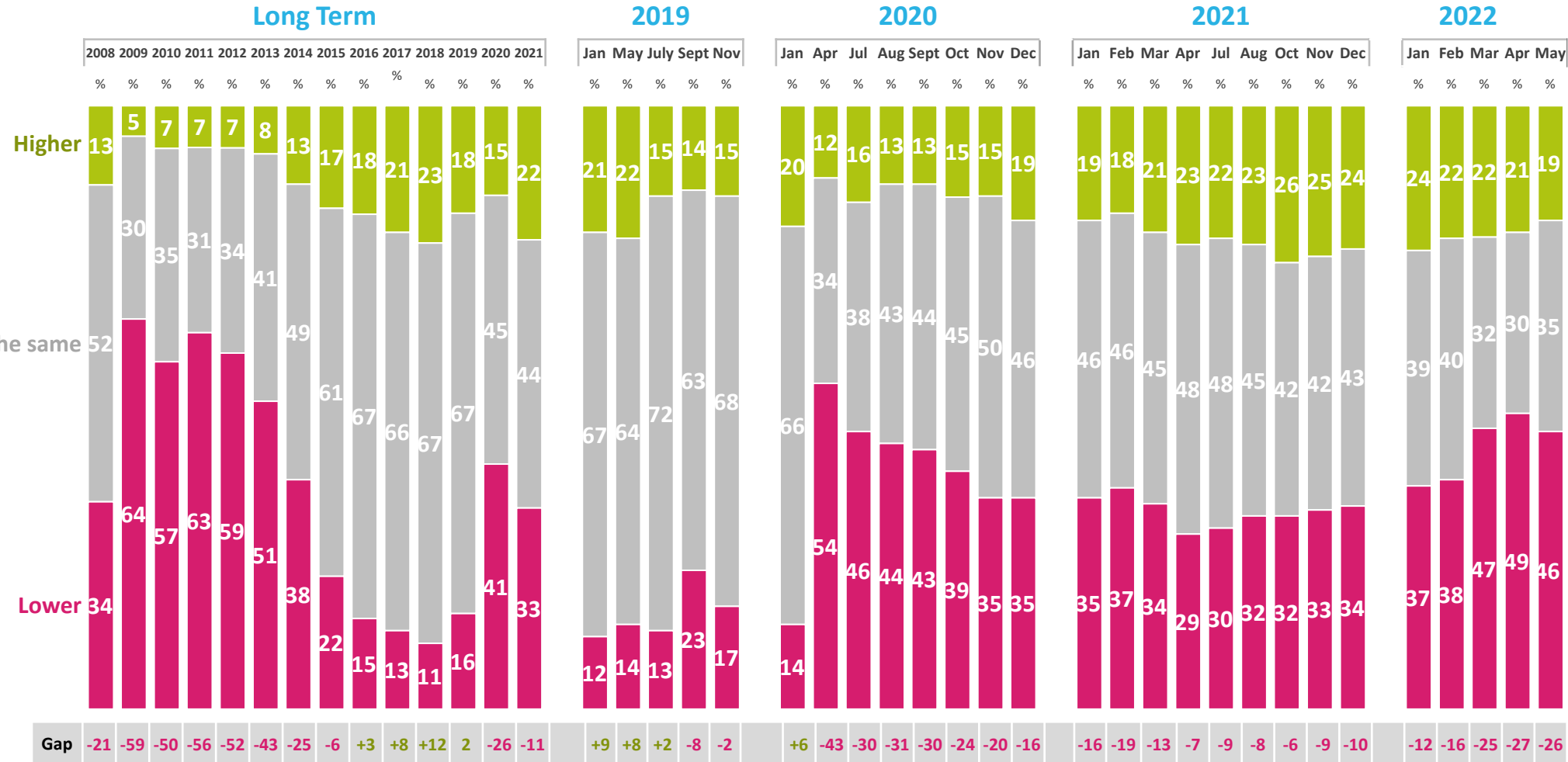
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Jan 19	May 19	July 19	Sept 19	Nov 19	Jan 20	Apr 20	Jun 20	July 20	Aug 20	Sept 20	Oct 20	Nov 20	Jan 21	Feb 21	Mar 21	Apr 21	Jul 21	Aug 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22
Gap	-5%	-34%	-56%	-48%	-50%	-48%	-40%	-24%	-13%	-5%	-1%	=	-2%	=	-8%	-11%	-8%	-2%	-15%	-13%	-12%	-11%	-16%	-12%	-10%	-7%	-13%	-11%	-10%	-10%	-8%	-10%	-12%	-12%	-12%	-18%	-31%	-32%	-34%

Income Projections - Looking Forward YOY



Base: All Adults 16+

Expect it to be...

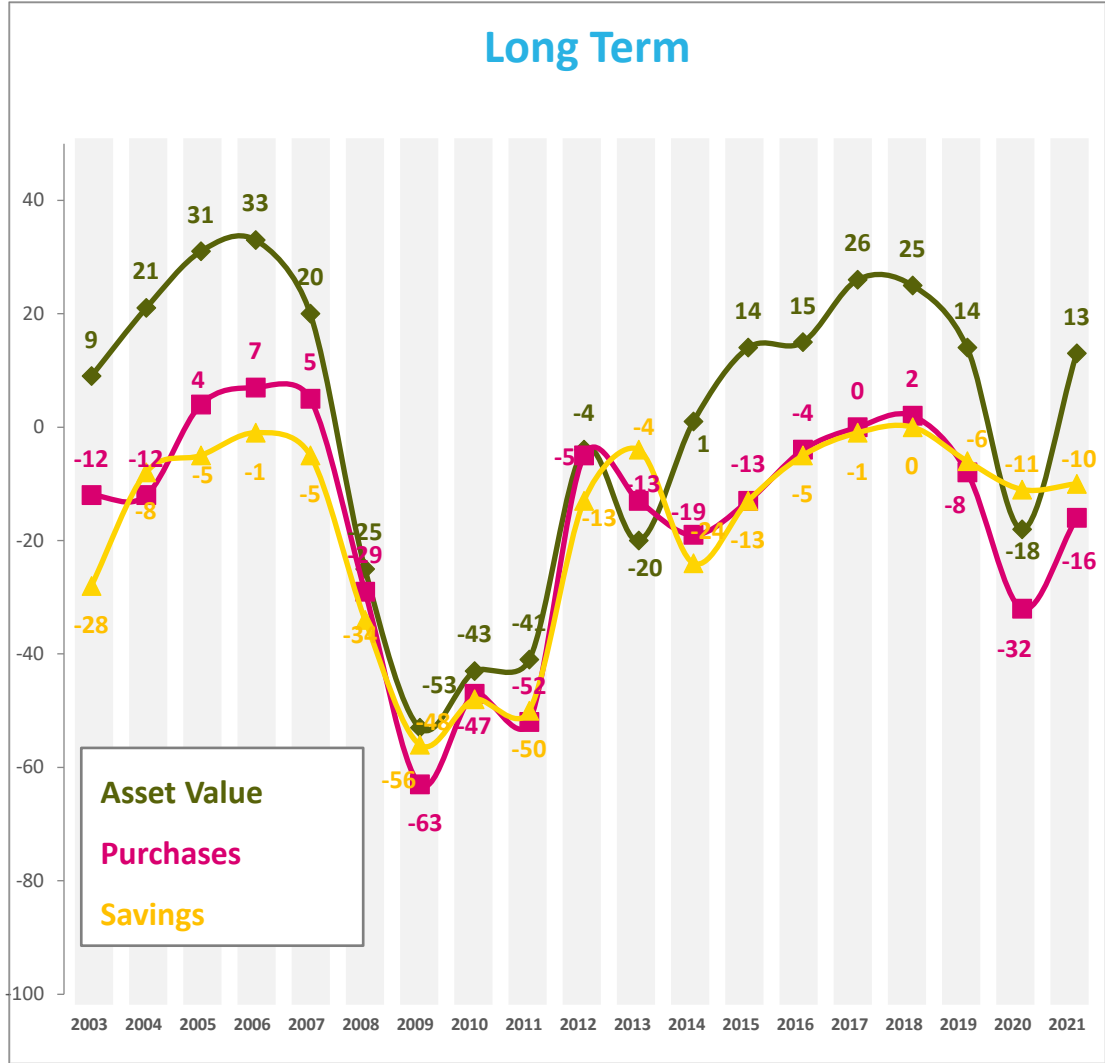


Balance Of Opinion in Summary - The Year Ahead

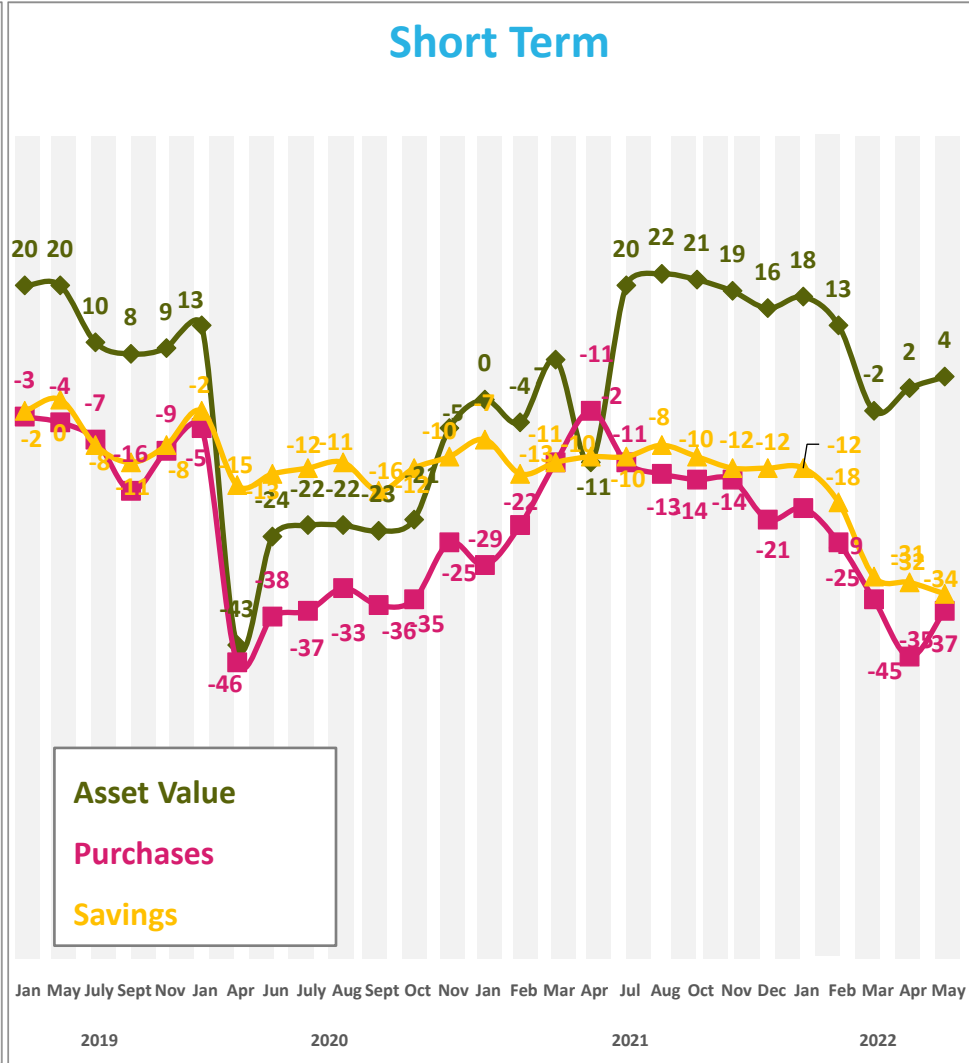
Expectations in regard to asset value, purchases, and savings



Long Term



Short Term



Thank you.



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Delve deeper