

FOR IMMEDIATE RELEASE

25 October, 2012

UK households intend to reduce 'fun' spending over next year

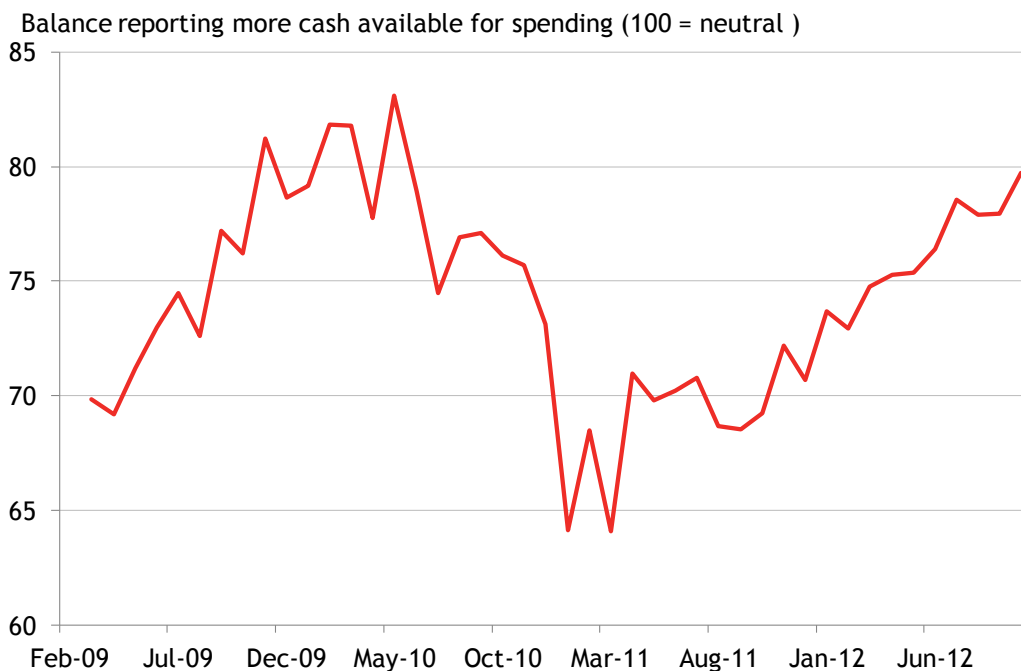
84% of UK households said they would either save any extra money or use it to pay down debts, while only 15.6% said they would spend it.

The majority of households in the UK intend to reduce spending on eating and drinking out in the coming year, and instead will put extra spending money towards paying down debts, according to the latest YouGov Household Economic Activity Tracker (HEAT).

The proportion of households reporting that they have less cash to spend than one month ago fell to 29% in October, down from 43% in March 2011. But while the squeeze on income appears to be easing, UK consumers are stuck in a deleveraging mind-set. When asked how they would spend a windfall equivalent to one month's income, 84% of households say they would save it (50.7%) or use it to pay down debts (33.7%), while only 16% say they would spend it.

"While the squeeze on household budgets seems to be easing, consumers are staying at home as they look to pay down debt. YouGov's HEAT survey highlights that many people are planning to cut their discretionary or 'fun' spending – even if they were to receive a windfall, few would choose to spend it now," said Dominic White, ASR Chief European Economist.

And while the squeeze on income is easing, the overall economic picture for UK households continues to be gloomy. The HEAT index fell in October as fears about job security intensified. The index remains below 100, indicating that a majority of households say that their economic situation is getting worse.



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For further information about the YouGov Household Economic Activity Tracker visit:

<http://research.yougov.co.uk/services/household-economic-activity-tracker/>

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