

FOR IMMEDIATE RELEASE

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Festive fall of economic confidence in UK households

UK households saw a decline in economic confidence during December with a significant number of Britons (29%) believing their household's financial situation got worse, according to YouGov's UK Household Economic Activity Tracker (HEAT).

The YouGov HEAT index has now been below 100 for 30 straight months falling back to 94.5 in December from 95.8 in the previous month. However, the index is still six points up from where it was in December 2011.

More than a quarter (29%) think their domestic finances deteriorated in December and more than two in five (43%) believe their situation will get worse over the next 12 months. Additionally, more than a third (36%) think the environment for making major purchases deteriorated in December compared to the previous month.

Cash-strapped consumers

Almost a third of people (32%) report that they had less cash available to spend compared to November. High income earners and 18-34 year-olds felt a particular squeeze on cash available for spending, with a third (32%) and a quarter (25%) respectively reporting a decrease in available cash in December.

Households seek debt relief

December also saw an increase in the number of people looking to pay down credit card debt. When asked to list the top three things they would spend a windfall on, more than three-quarters (77%) suggested they would use it to pay off some of their unsecured debts. 45% would save it for emergencies and more than two in five (42%) would save it for discretionary spending.

Stephen Harmston, Head of SixthSense at YouGov, said: "Perhaps we should not be that surprised that households feel a little less economically confident following the Chancellor's rather bleak pessimistic budget at the start of December. Christmas spending did not lead to an improvement in how people see their financial situation – if anything it made them more cash-strapped and wary going into 2013."

Dominic White, Chief European Economist at ASR, said: "Many households are pessimistic about what will happen over the coming year and most want to pay down debts as they fear things will only get worse during 2013. The most significant movement is the steep decline in people wanting to make major purchases going into the New Year. If this one-month fall turns into a longer-term trend then retailers and the Government will be concerned."

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Notes to editors:

For further information about the YouGov Household Economic Activity Tracker (HEAT) visit:
<http://research.yougov.co.uk/services/household-economic-activity-tracker/>

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About YouGov

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YouGov is considered a pioneer of online market research and has a panel of 2.5 million people worldwide, including over 350,000 people in the UK representing all ages, socio-economic groups and other demographic types.

As the most quoted market research agency in the UK, YouGov has a well-documented and published track record illustrating the accuracy of its survey methods.

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