Consumer Mood Monitor

Outlook remains strong but sees a decline due to domestic and international uncertainties

June 2016

Consumer confidence remains high but we see a decline in outlook for the economy

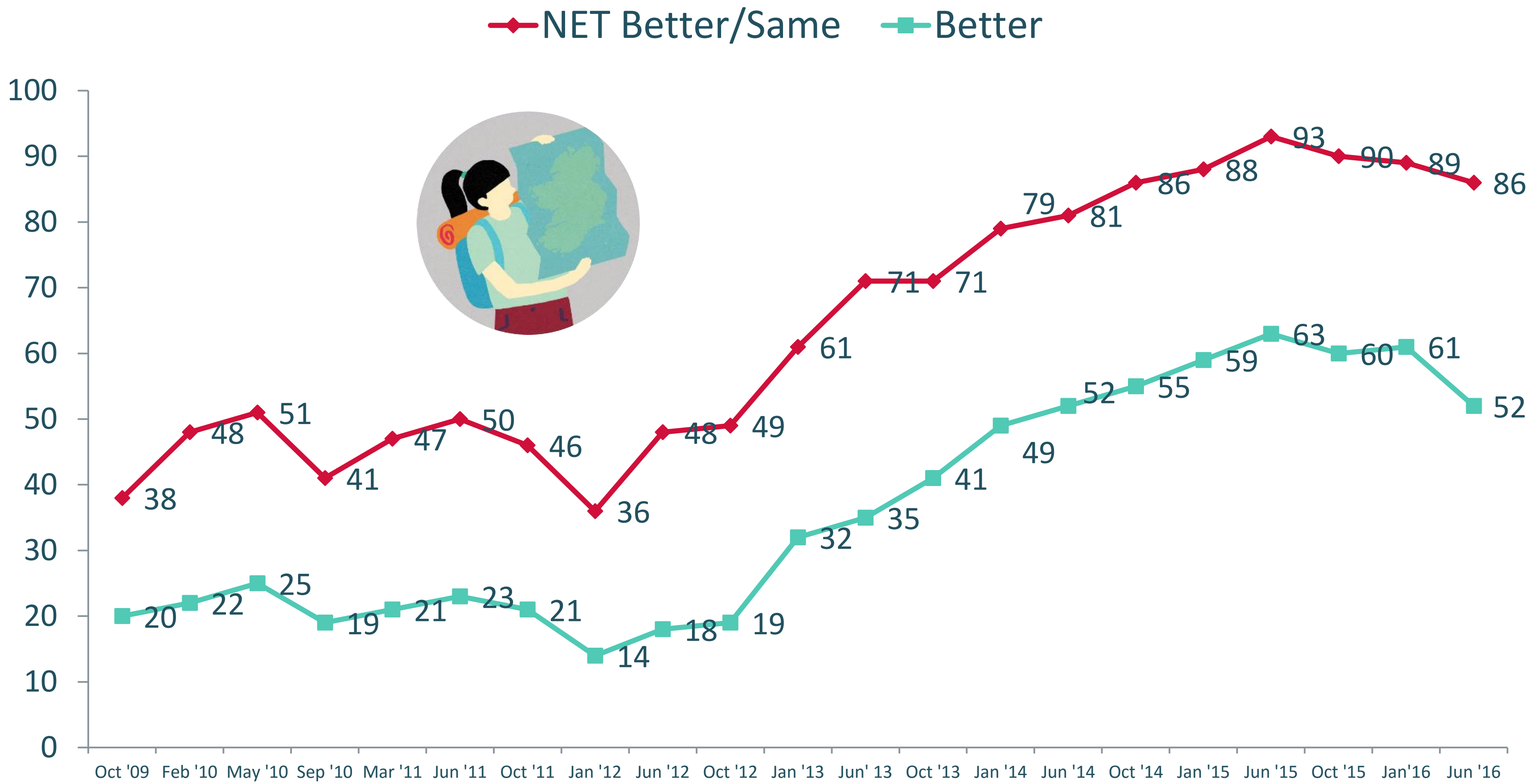
- More than **half expect the economy to fare better** in the next 6 months – but this is down compared to January.
- It appears that **consumers are concerned** about the **impact of a Brexit** on the Irish economy while the **political situation in Ireland** might play a role as well.
- We also see a significant **decline in expectations to the housing market**, especially in Dublin, as a result of the ongoing housing crisis.
- In spite of improving personal finances, we see less consumers who feel they have been impacted positively by the economy recovery.
- **Consumer spend is unchanged compared to January but higher than a year ago** – especially for holidays and socialising.

Consumer Mood - Headline Facts

- **52%** believe the Irish economy will improve in the next 6 months – down from 61% in January
- **29%** believe the World economy will improve in the next 6 months – down from 36% in January
- **46%** feel the economic recovery is benefiting them personally – down from 50% in January.
- **40%** of consumers believe they are living comfortably – up from 37% in January.
- BUT **21%** are still struggling financially – down from 23% in January.
- **30%** anticipate spending more on holidays over the next 6 months – down from 32% in January. Spending on consumer goods and groceries are expected to increase slightly.

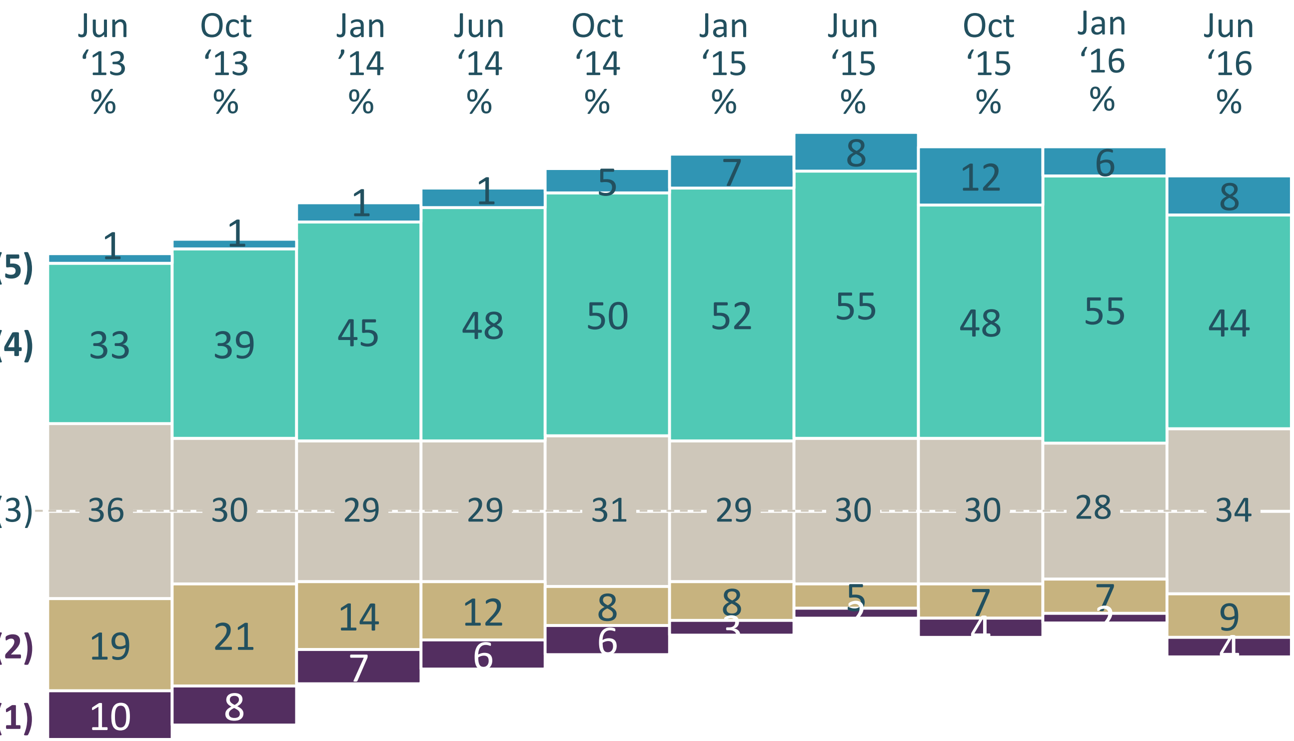
While outlook for the Irish economy remains high, we see a decline from January to June

How do you expect the *Irish economy* to fare in the next 6 months?



We see a decline in consumer outlook but more than half still believe that the Irish economy will improve in the next 6 months. 1 in 3 feel that the economy will fare the same in the next 6 months as it does now.

How do you expect the Irish economy to fare in the next 6 months?



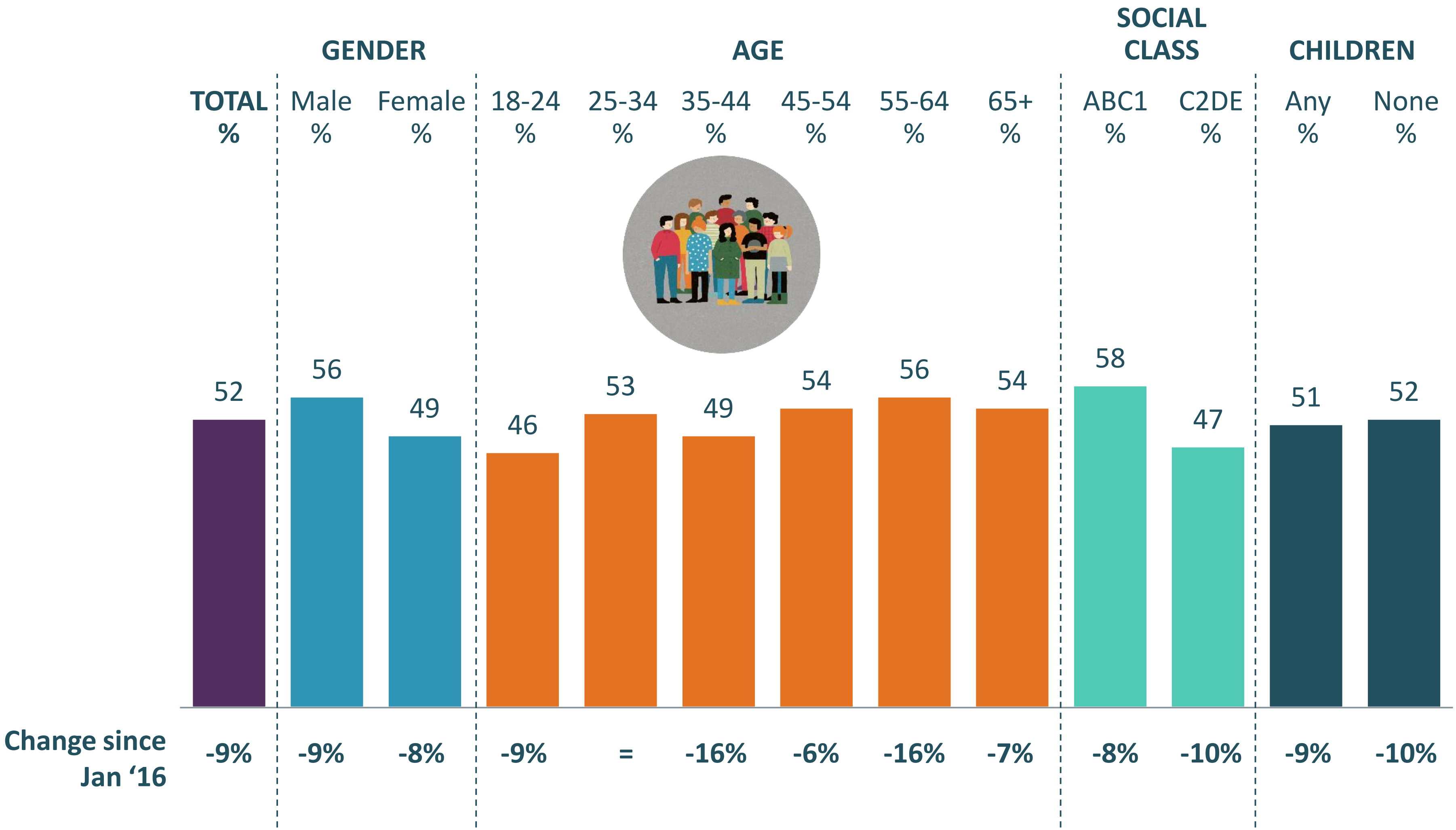
✓ More than half expect the economy to improve in the next 6 months.

× 13% expect the economy to fare be worse in the next 6 months, an increase of 4% from January.

	Jun '13	Oct '13	Jan '14	Jun '14	Oct '14	Jan '15	Jun '15	Oct '15	Jan '16	Jun '16
NET Same/ Better (3-5)	**71**	**71**	**79**	**81**	**86**	**88**	**93**	**90**	**89**	**86**
Average	**2.99**	**3.06**	**3.25**	**3.31**	**3.41**	**3.52**	**3.62**	**3.59**	**3.56**	**3.43**

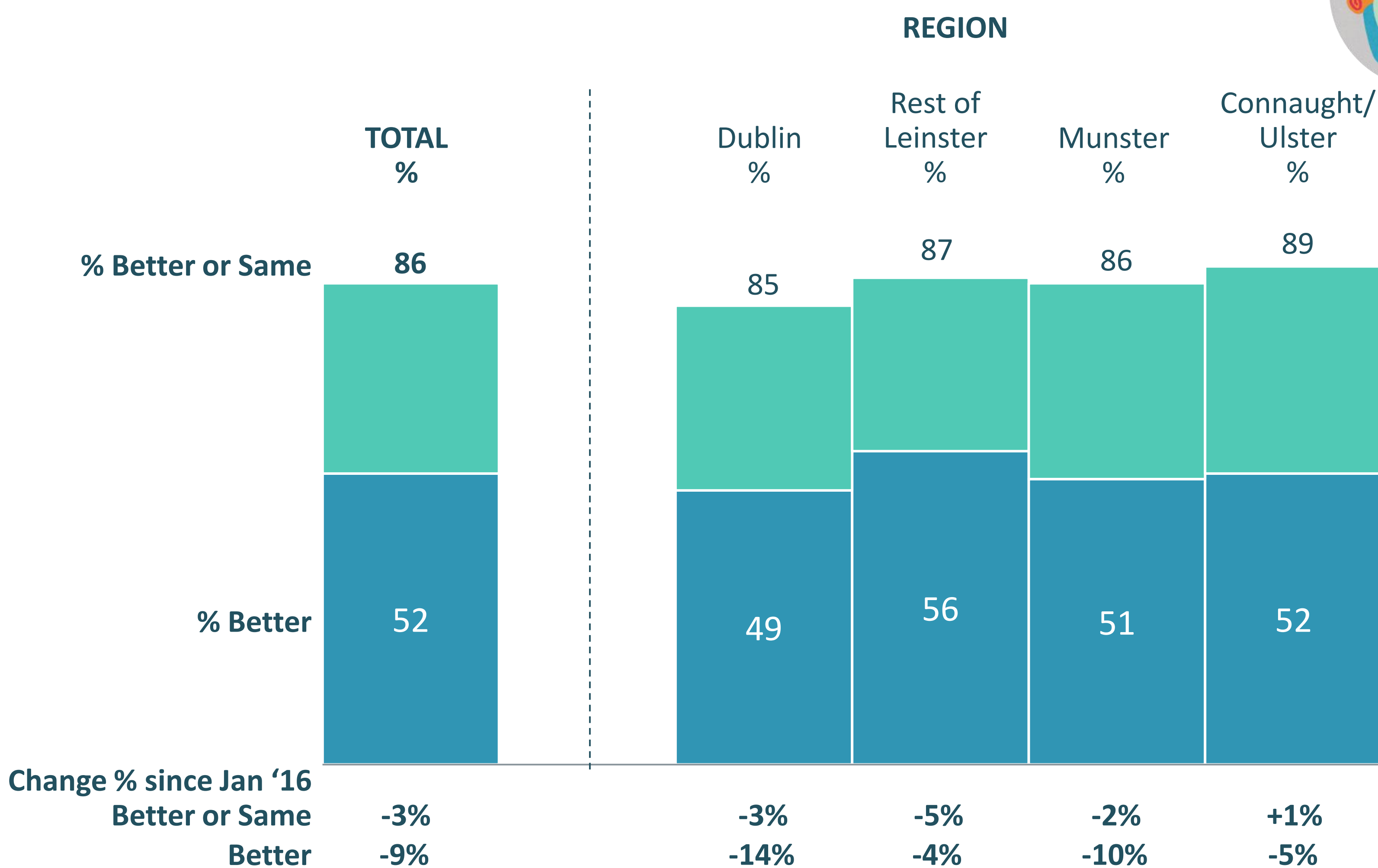
Expectations for the Irish economy 6 months from now

% Stating they believe it will be better



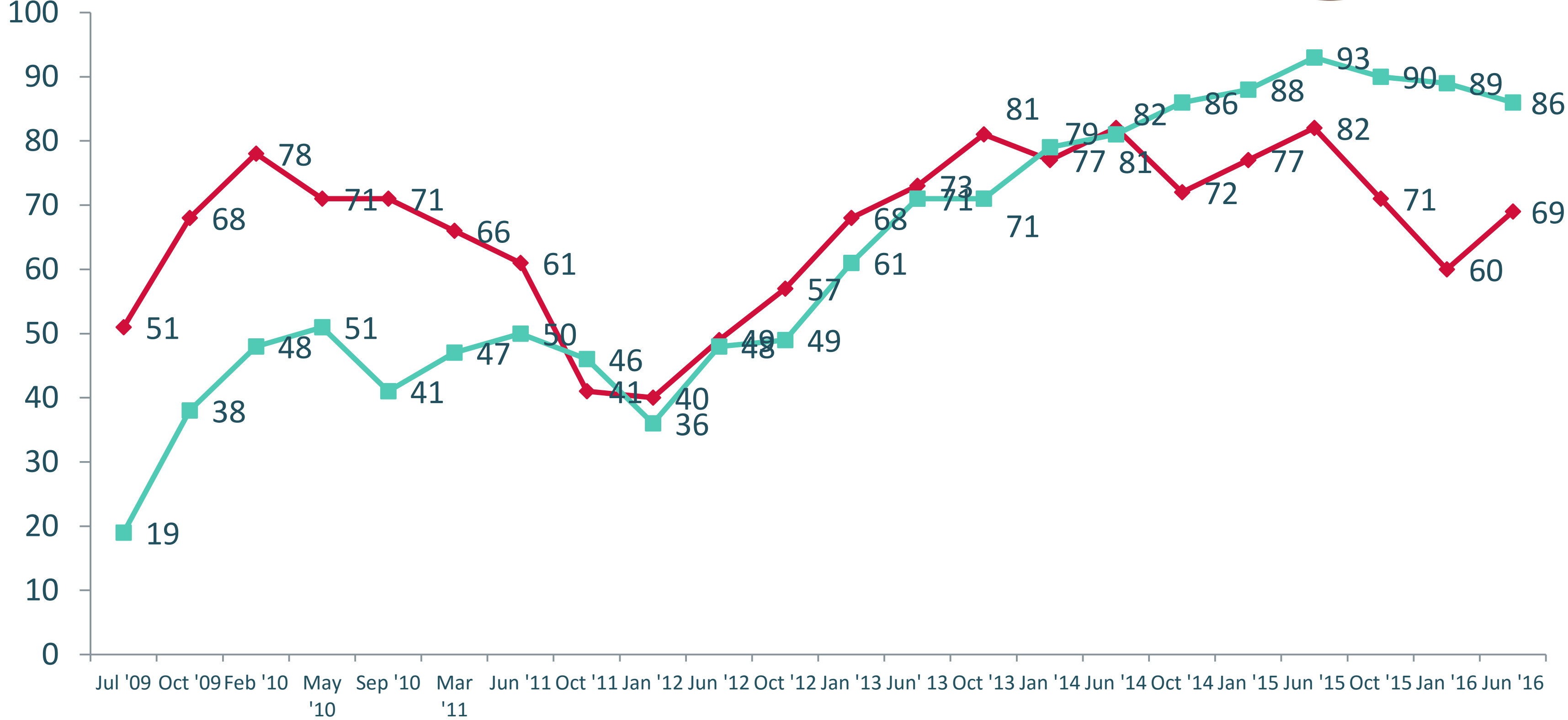
The decline in consumer outlook is uniform across demographics. Females and lower social classes continue to be more pessimistic than average.

Expectations for the Irish economy across the country…



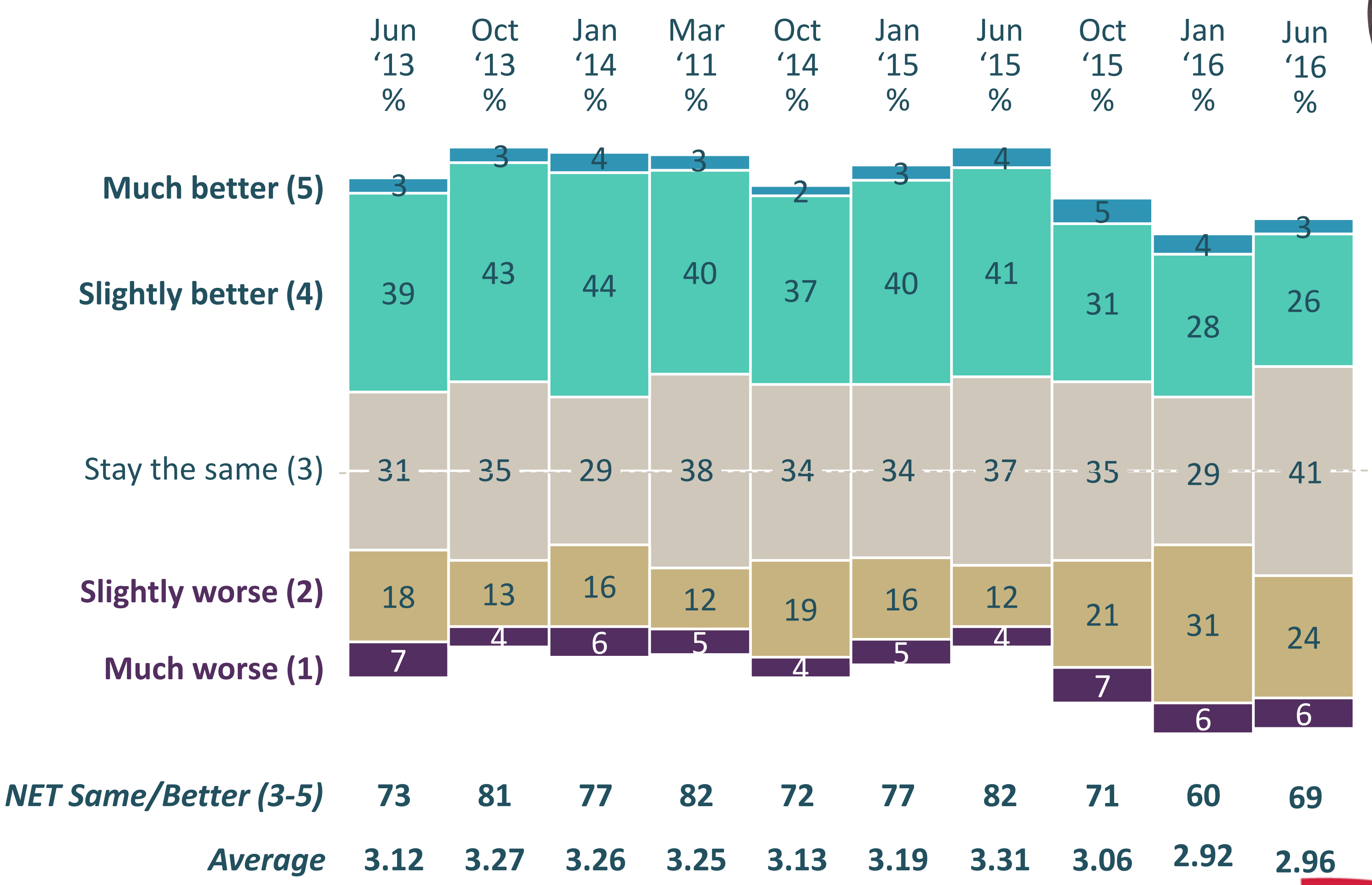
Expectations for Irish the economy is very similar across region but we see the Rest of Leinster being slightly more positive than elsewhere.

Expectations for the World Economy



We see an improvement in outlook for the World Economy in spite of the concerns about a possible Brexit. However, World Outlook was particularly low in January due to the European refugee crisis.

How do you expect the World economy to fare in the next 6 months?



✓ Almost 1 in 3 believe the World Economy will fare better in the next 6 months – this is slightly lower than January.

× 30% feel the World Economy will get worse in the next six months, down 7% since January.

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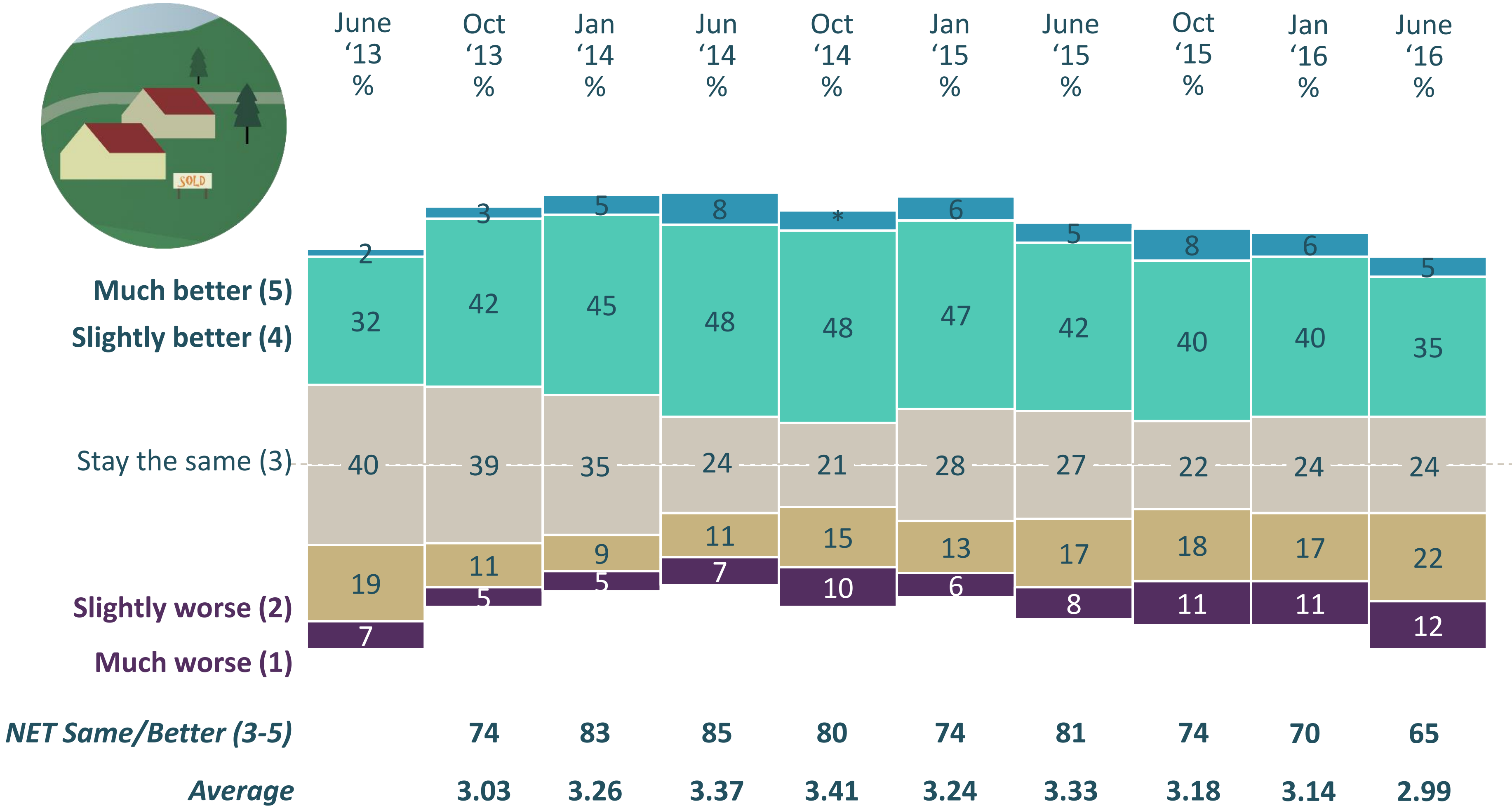
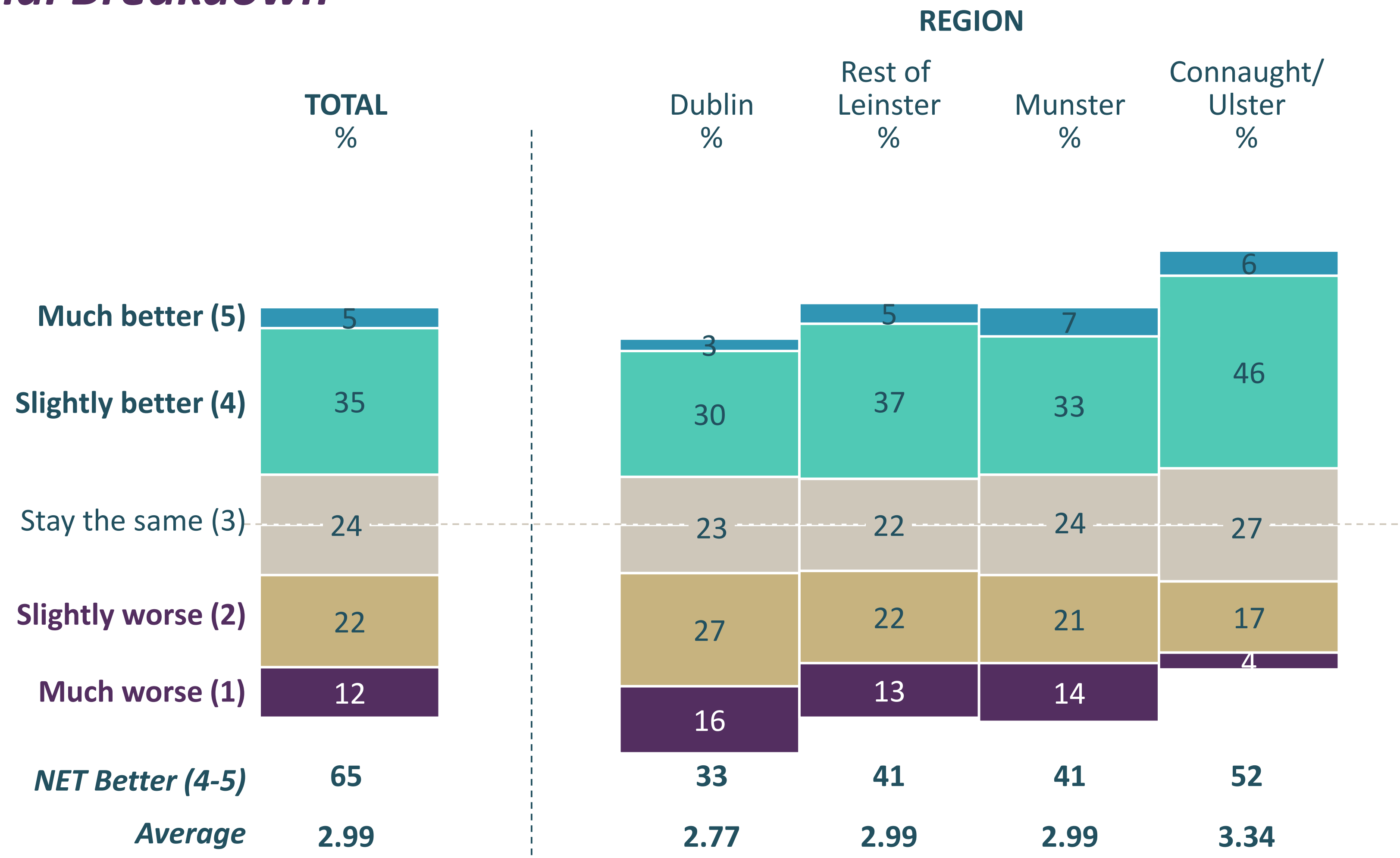
The housing crisis is impacting the outlook for the housing market, especially in Dublin

How do you expect the Housing Market to fare in the next 6 months?



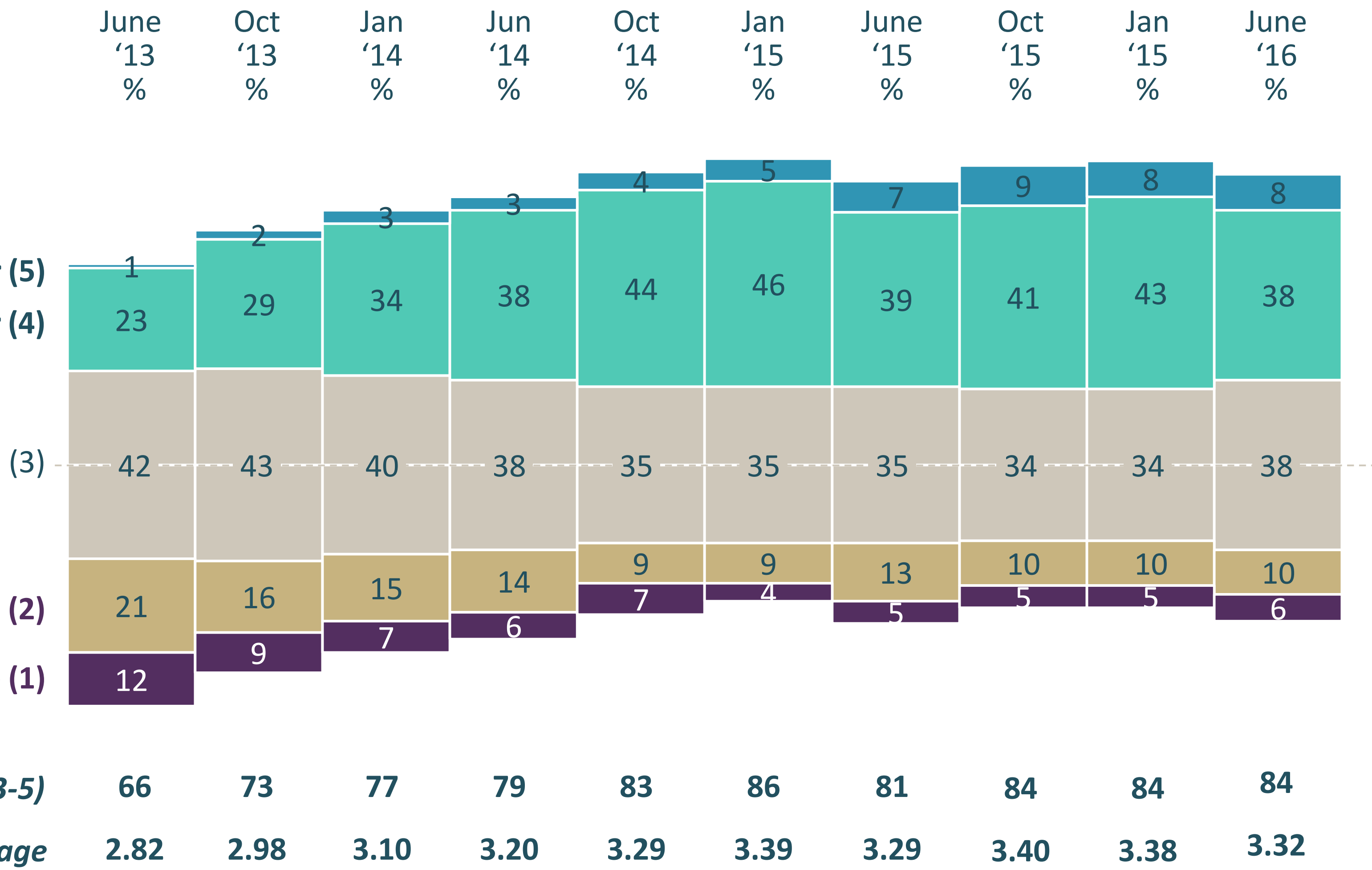
Overall expectations for the housing market are declining; more than 1 in 3 now believe it will fare worse while 2 in 5 expect it to fare better.

How do you expect the housing market to fare in the next 6 months?
Regional Breakdown



Expectations for the housing market is the lowest in Dublin and significantly lower than in January.

How do you expect the job market to fare in the next 6 months?



Almost half expect the job market to fare better in the next 6 months – however this is down slightly from January.

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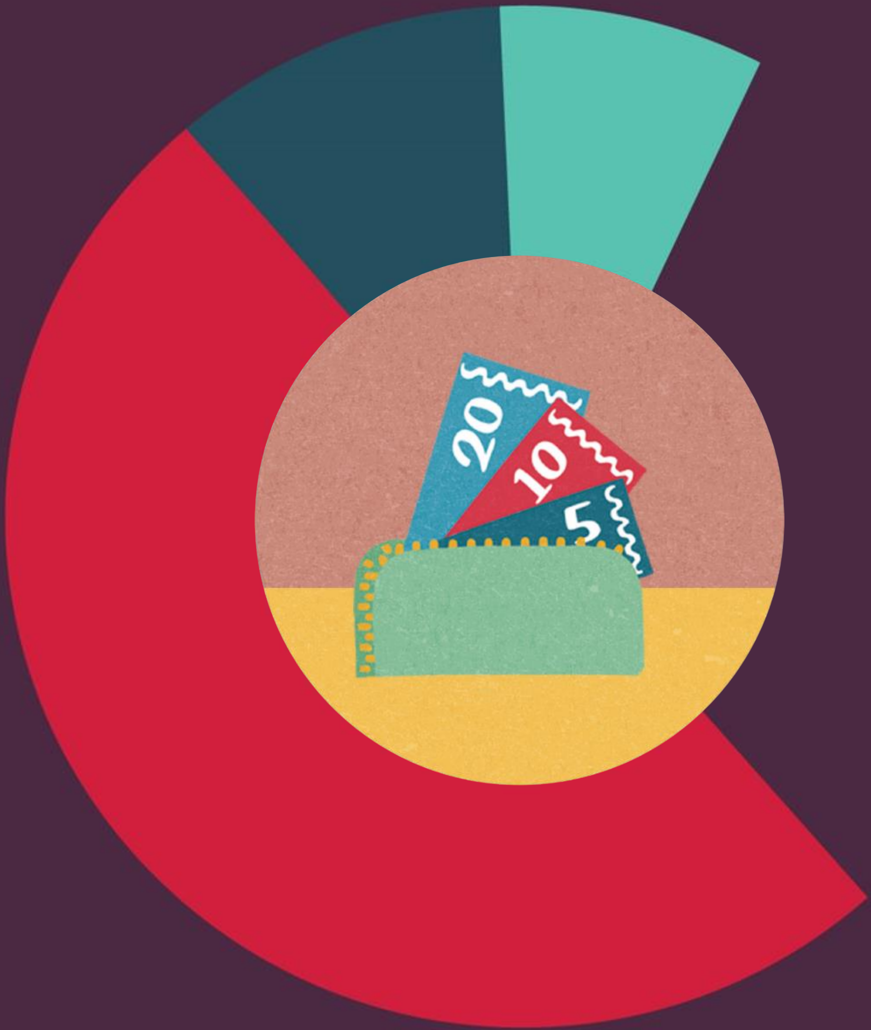
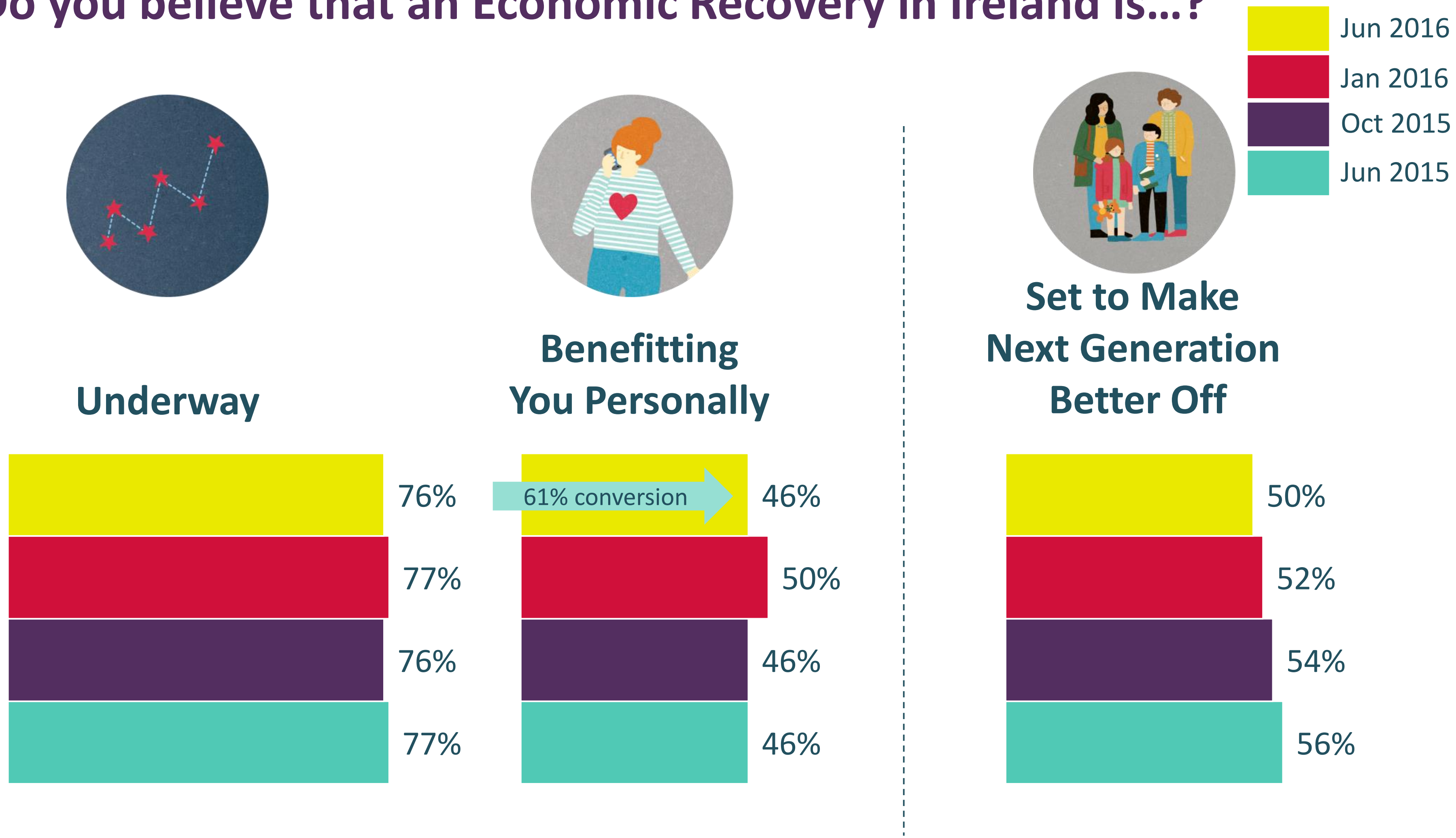


Less consumers are now feeling the personal benefits of the economic recovery

Do you believe that an Economic Recovery in Ireland is...?



3 in 4 believe the economic recovery is underway but after an increase in January, we now see a decline in the proportion who claim to feel any personal benefits of the recovery.

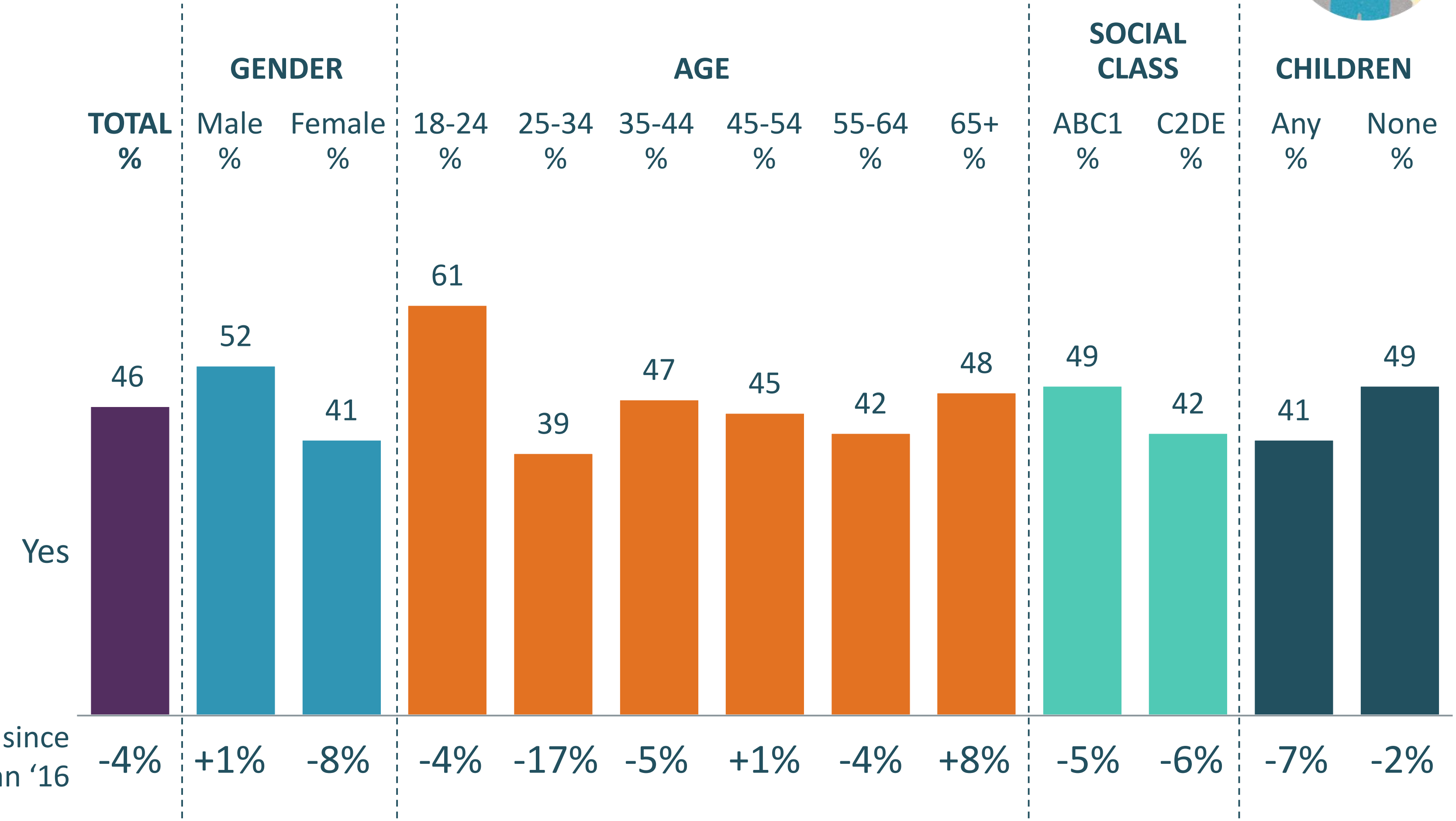
Personal benefits of recovery by region

% Stating Yes

The decline in the proportion who feel personal benefits of the recovery is coming most from those living in Munster and Rest of Leinster.

Ireland's Economic Recovery Benefitting You Personally?

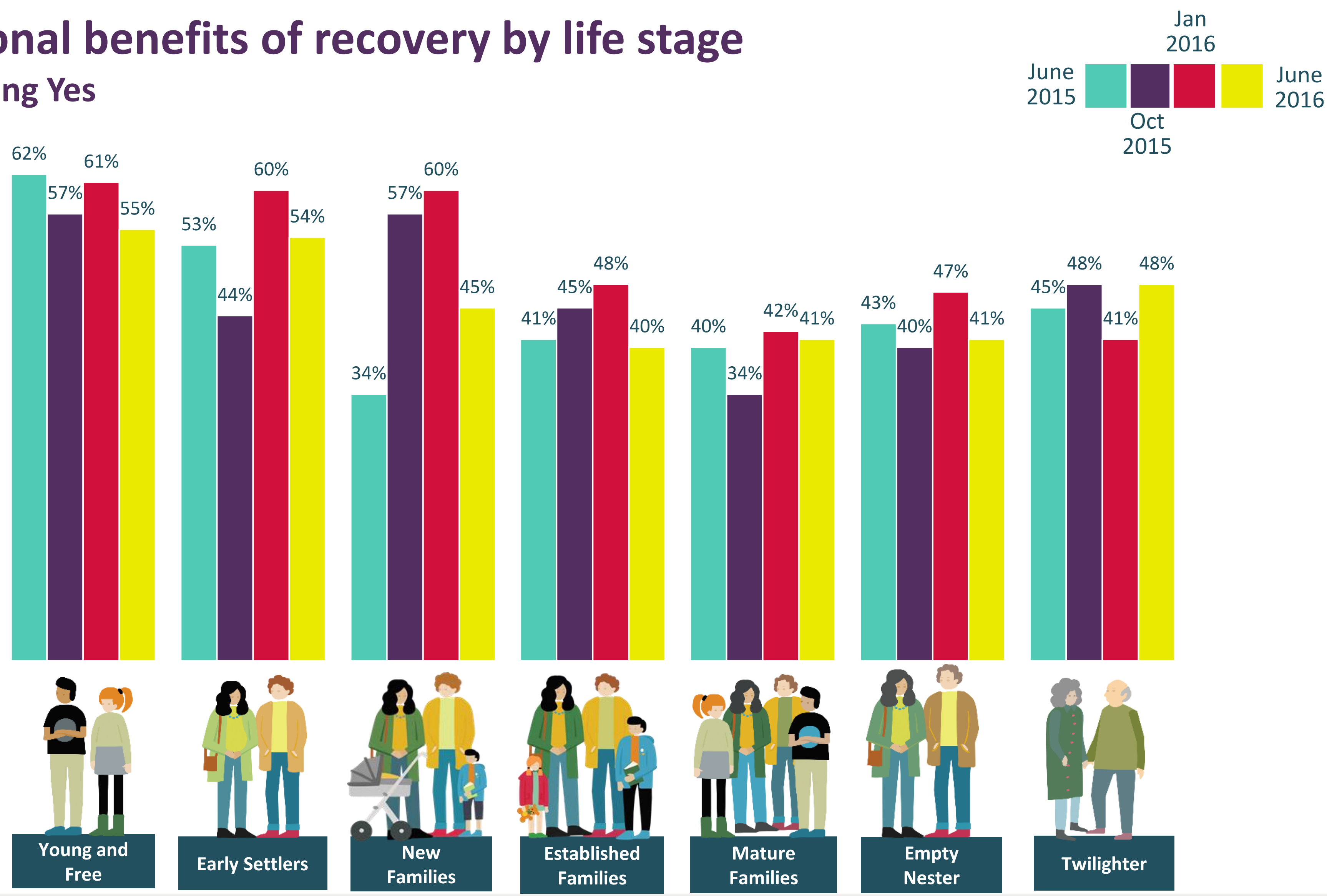
% Stating Yes



Females, lower social classes and families with children are less likely to feel the personal benefits of the recovery.

Personal benefits of recovery by life stage

% Stating Yes



The younger life stages are most likely to feel the personal benefits of the economic recovery.

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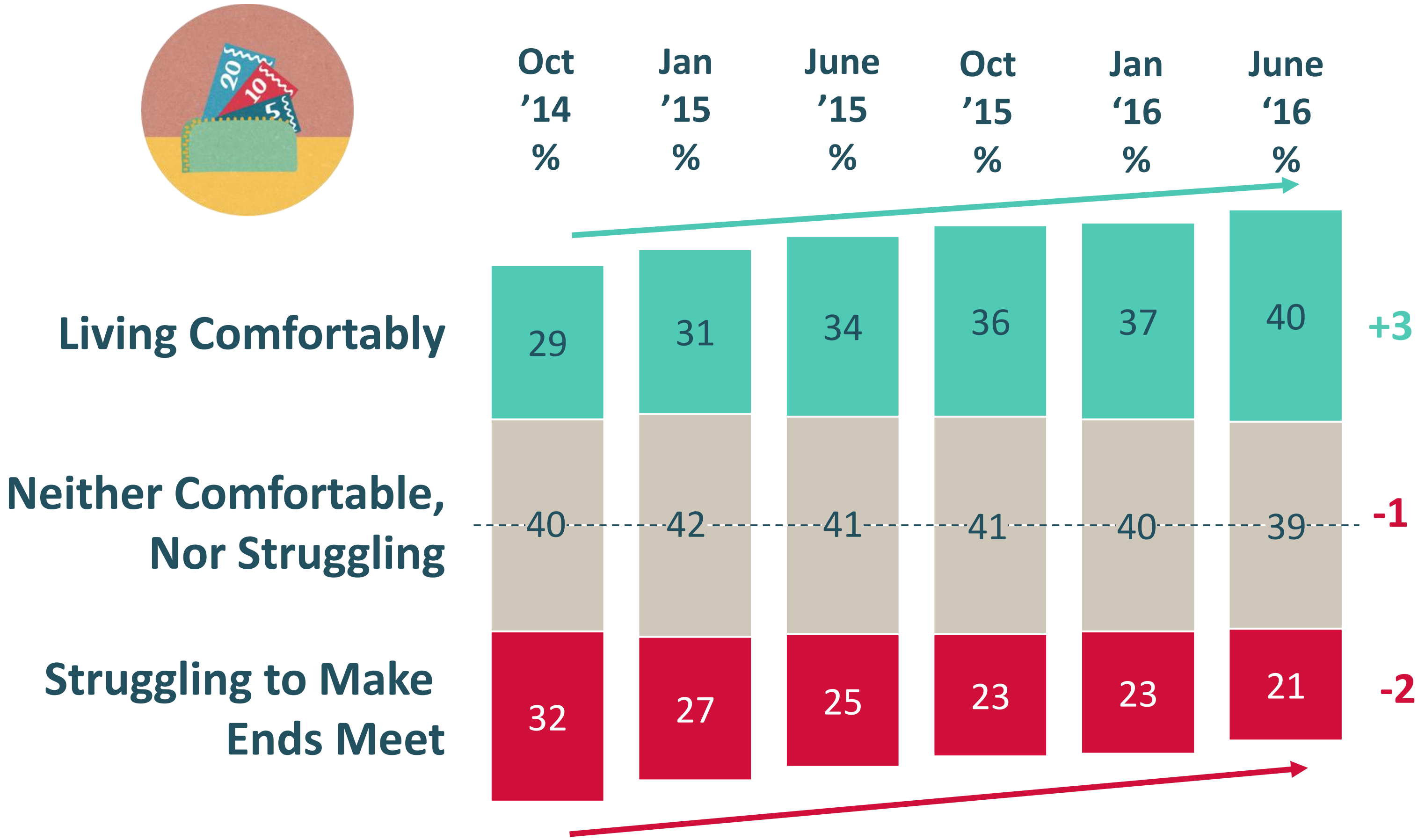
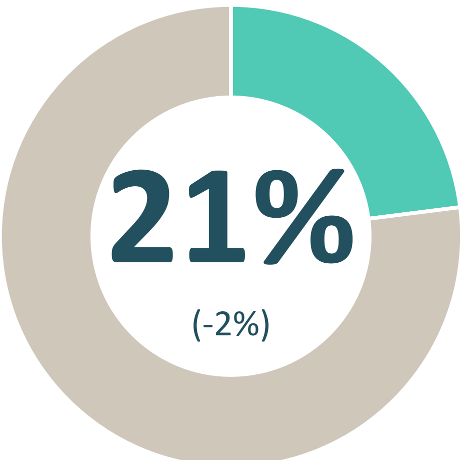
Improving Personal Finances



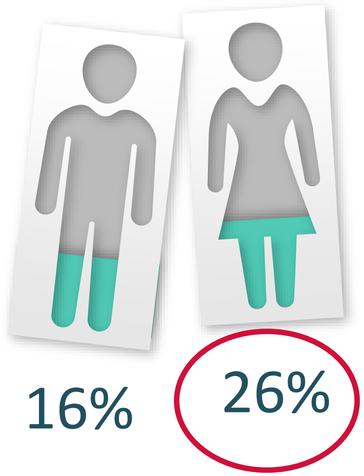
Even though less consumers are claiming to feel the personal benefits of the recovery, we continue to see improvements in personal finances.

Who is Struggling to Make Ends Meet?

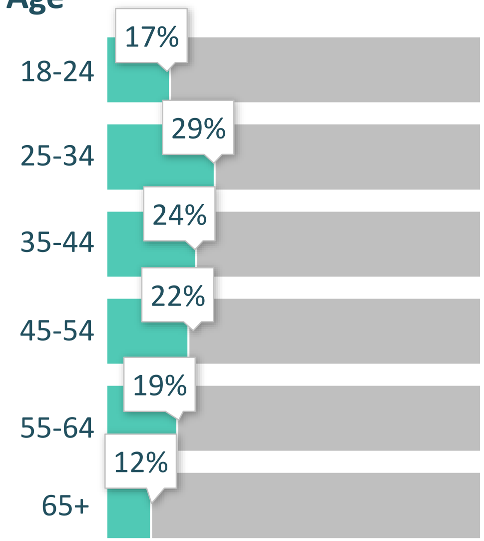
Total – 1 in 5 struggle to make ends meet



Gender



Age

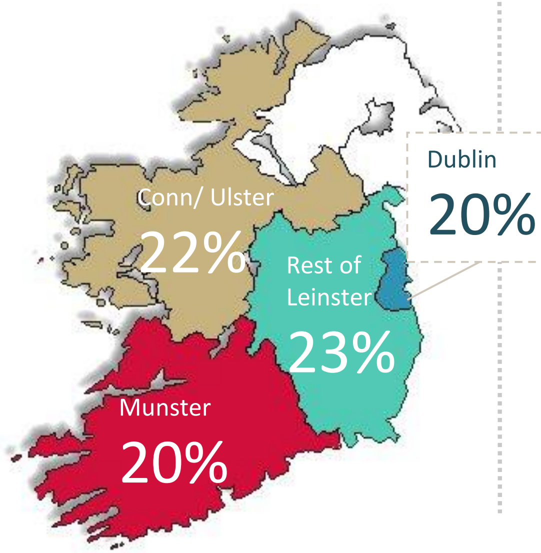


Social Class

Higher Social Grades: 17%

Lower Social Grades: **24%**

Region



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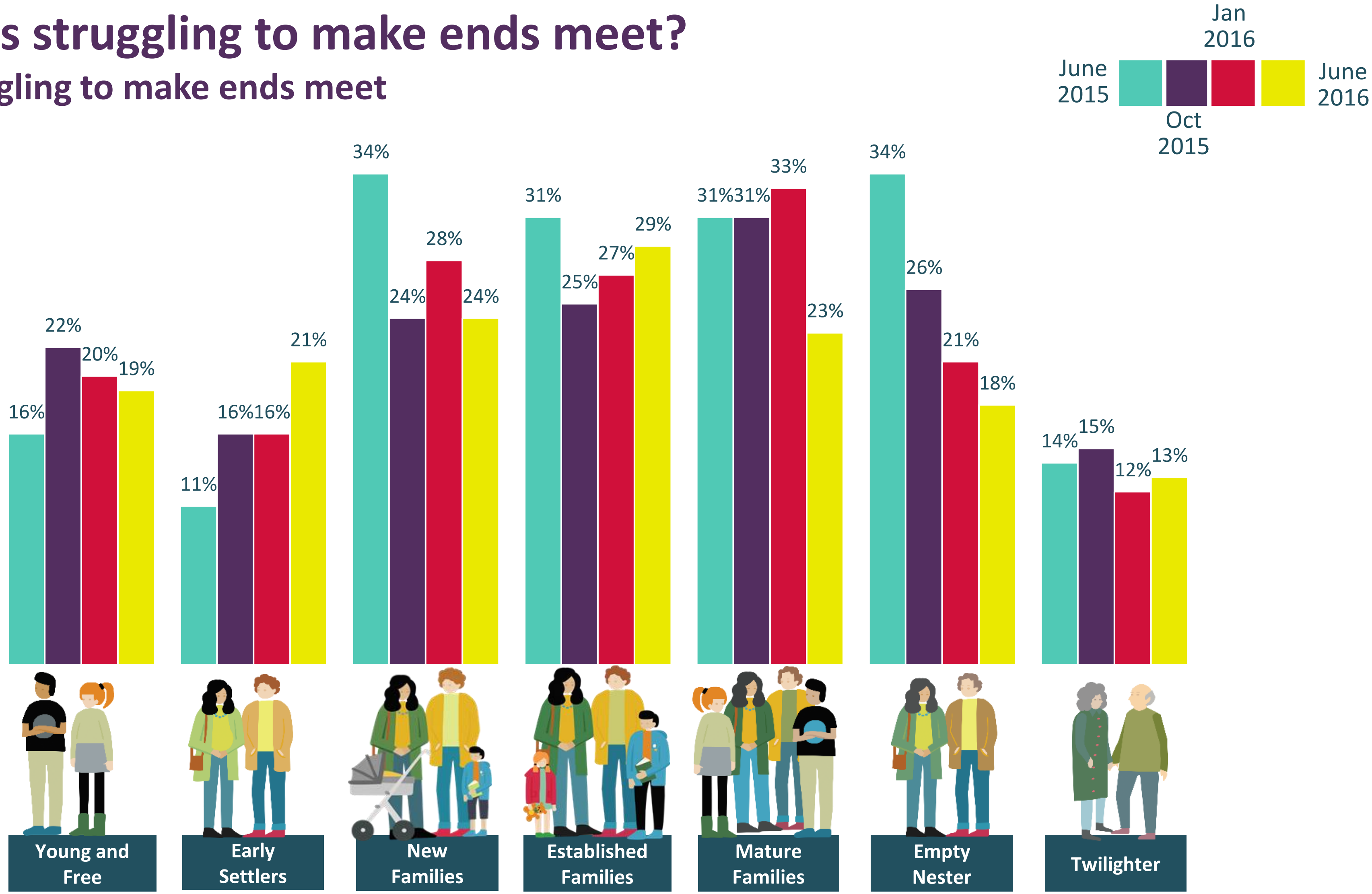
Who is struggling to make ends meet?

% Struggling to make ends meet



Again, it is evident that families are more likely to struggle financially.

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Relationship between Economic Situation and Impact of Recovery

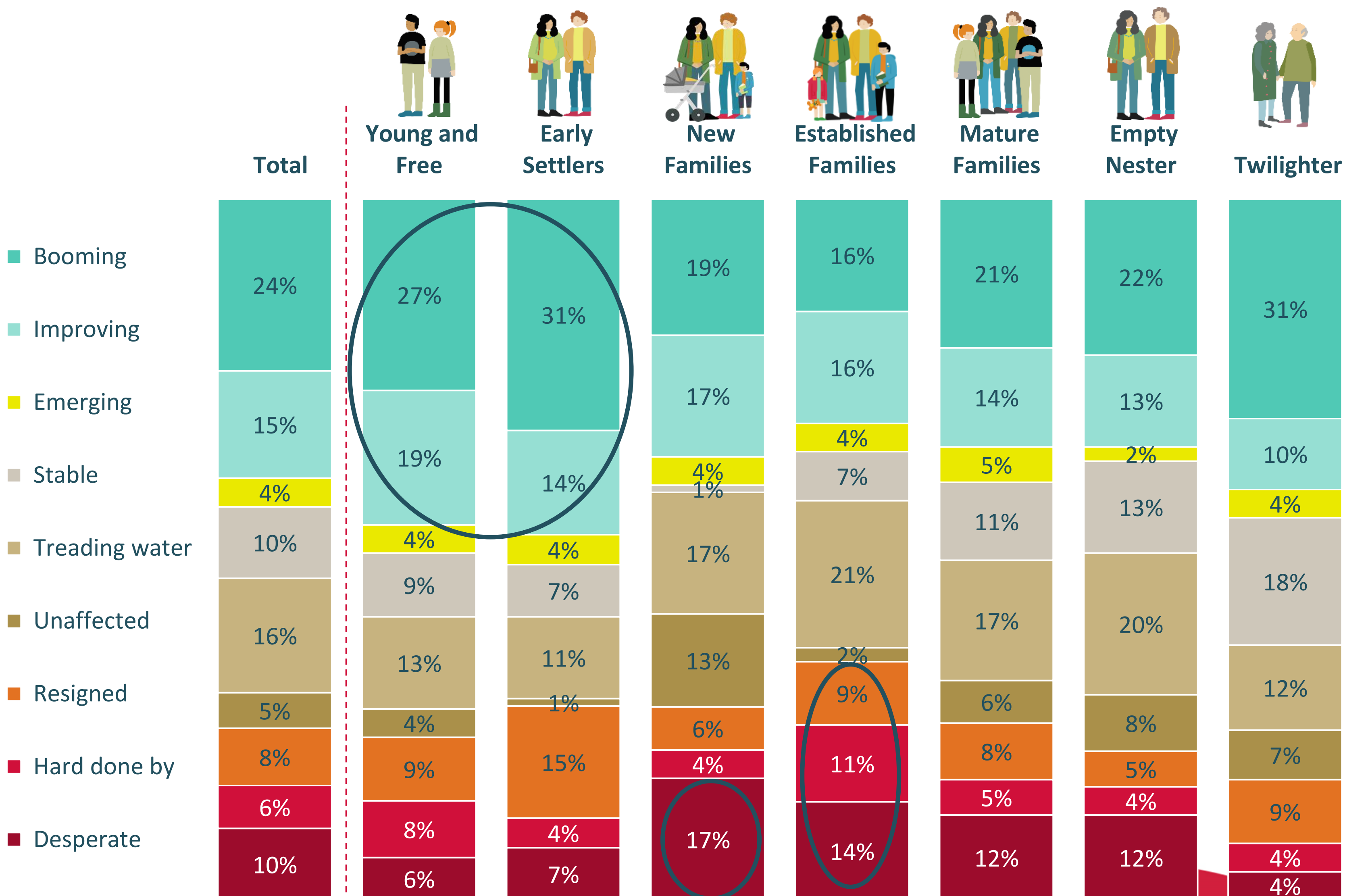
Current Difficulty	No Recovery	Recovery & NOT benefitting	Recovery & Benefitting
Comfortable	Unaffected 5% (+1)	Stable 10% (+2)	Booming 24% (-1)
Neither Comfortable nor Struggling	Resigned 8% (+1)	Treading Water 16% (+2)	Improving 15% (-3)
Struggling	Desperate 10% (=)	Hard Done By 6% (-2)	Emerging 4% (=)

Future Opportunity

( ) = change from Jan 2016

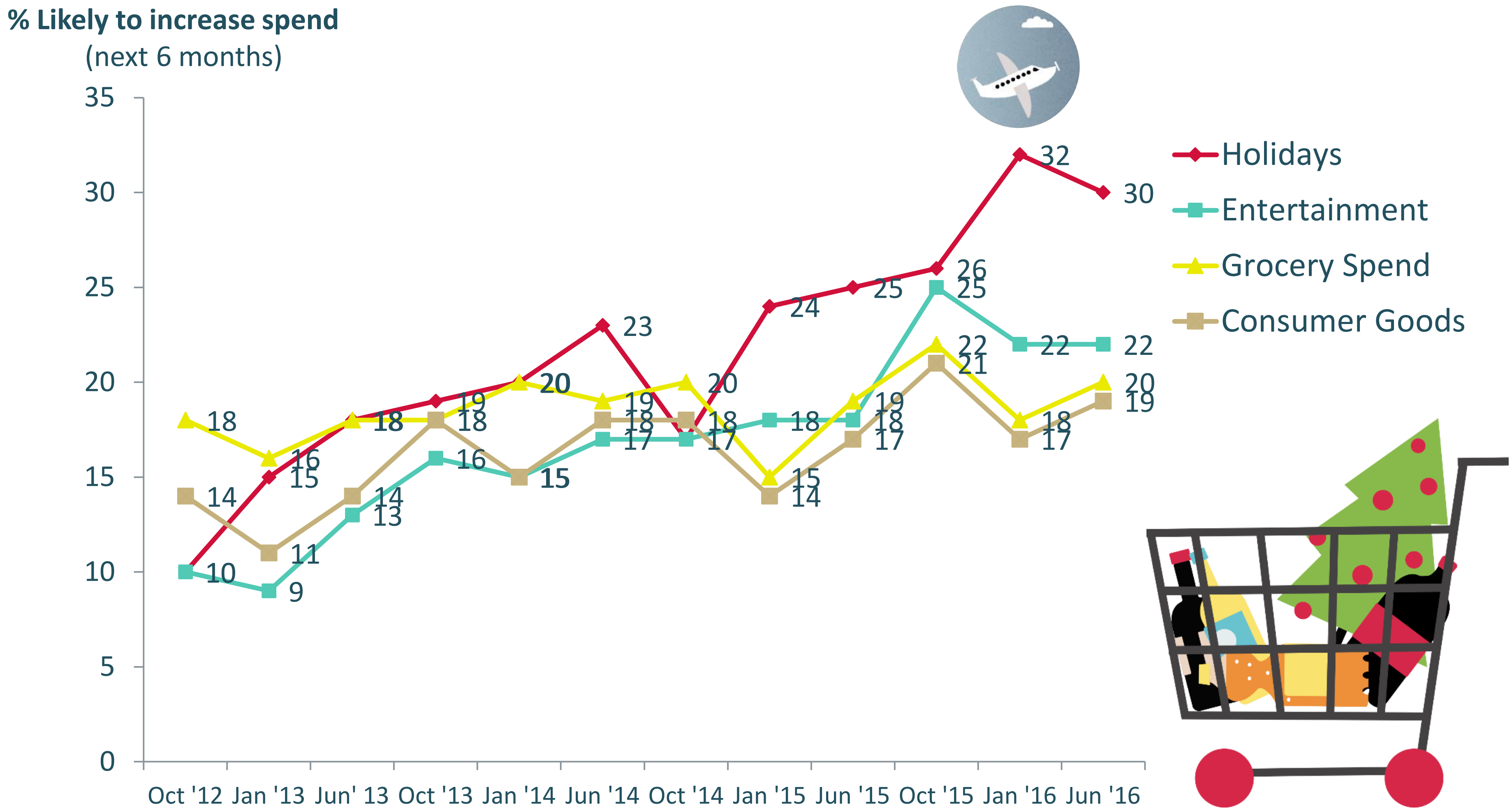
We see more consumers not struggling financially but not associating this to the recovery.

The younger life stages are more likely to be booming/improving.



Consumer Spend Intention is in line with what we saw in January but higher than a year ago

Expected Increase in Spend In The Next 6 Months



Spend intention is highest for holidays and significantly higher than a year ago. Increases in spend intention are more modest for grocery spend and consumer goods.

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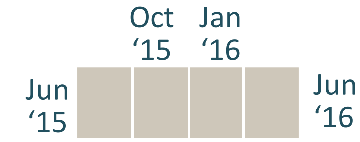
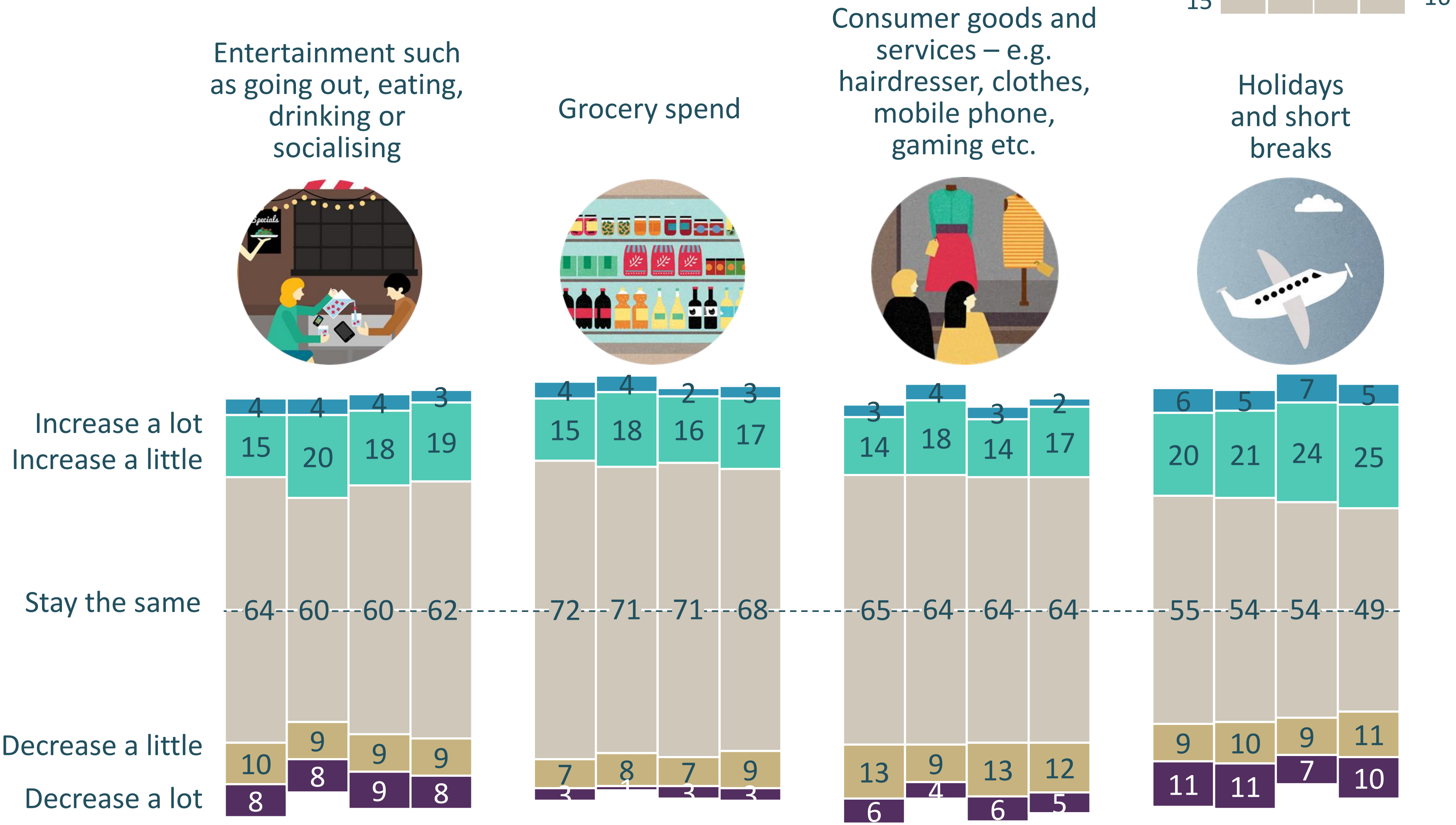
Expected Changes In Spend Over The Next 6 Months





Compared to the same time last year, spend intention has especially improved for holidays but also entertainment/socialising.

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The 18-24 year olds are more likely to express intention to increase spend in the next 6 months – across all categories.




% Likely to increase spend in next 6 months	Entertainment	Grocery Spend	Consumer Goods/ Services	Holidays/ Shorter Breaks
Total	**22**	**20**	**19**	**30**
Gender				
Male	26	18	21	32
Female	18	22	17	28
Age				
18-24	**36**	**26**	**31**	**46**
25-34	24	20	15	23
35-44	21	20	16	31
45-54	20	23	19	29
55-64	16	18	14	24
65+	18	16	24	32
Social Class				
ABC1	25	19	18	32
C2DE	20	22	20	27
Region				
Dublin	23	25	22	31
Rest of Leinster	21	19	17	30
Munster	20	20	18	29
Connaught/Ulster	23	15	18	31

Methodology

- 1,015 telephone interviews (CATI) were conducted using a random digit dial sample to ensure coverage of all households, including ex-directory.
- Quotas were set and data weighted to ensure a nationally representative sample of the population aged 18+ years.
- This is the **26^{th} wave** of the Consumer Mood Monitor & fieldwork was conducted 6^{th}-8^{th} June 2016.

THANK YOU