

BPS – Financial Optimism Index; April 2015

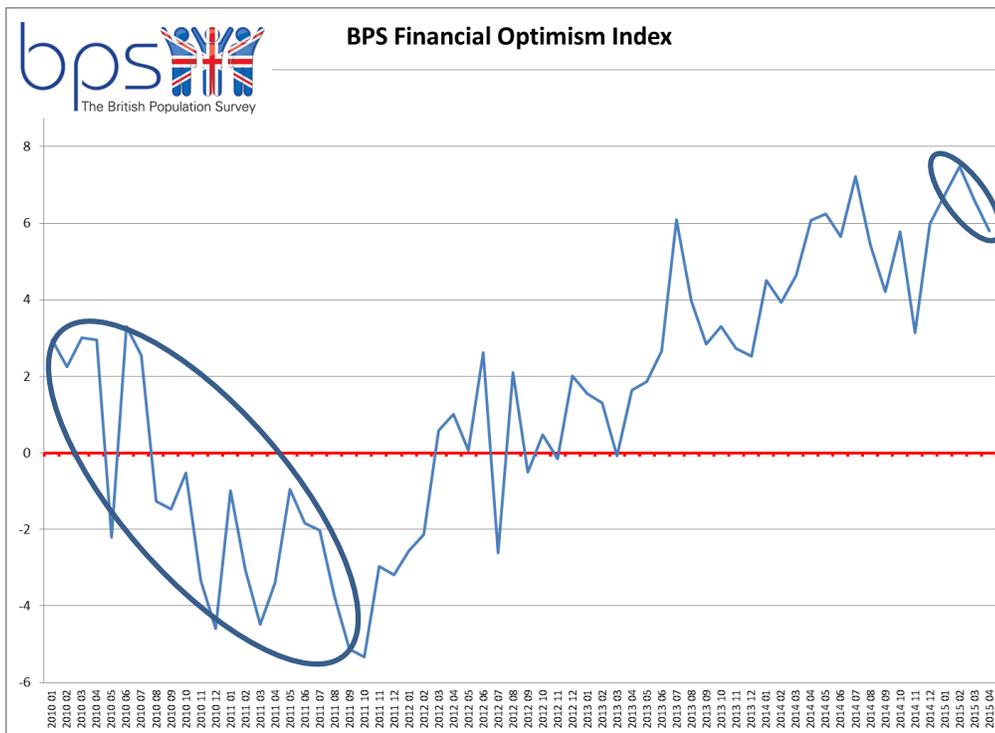
Financial Confidence Drops Pre Election.

The British Population Survey (BPS) has today (5 May 2015) released the latest Financial Optimism Index.

The Financial Optimism Index measures how people think their personal financial situation will change over the next few months.

The April figures show, for the second month running, a fall in peoples confidence about their future financial situation.

Below are the monthly figures which illustrate the trend over the last 5 years. Looking back to the past election we see that while the uncertainty in the run up to an election is expected the fall is greater than last time. It is also notable that the continued uncertainty after the last election was the background to a very volatile couple of months followed by a sustained fall in confidence.



Will history repeat itself or are people now more used to coalition politics?

While in 2010 it was not just the political uncertainty which played on people’s minds but the fallout from the 2008 ‘Credit Crunch’ and ‘Austerity’ was also very much in evidence. This time round we are entering the new parliament after a period of recovery in confidence. Just how fragile that confidence is remains to be seen.

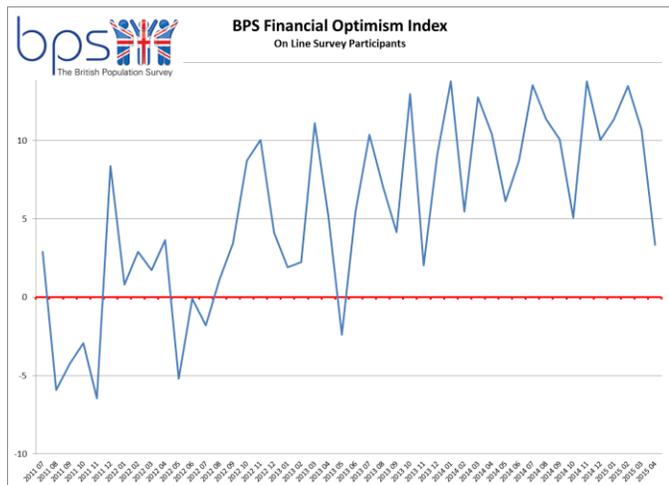
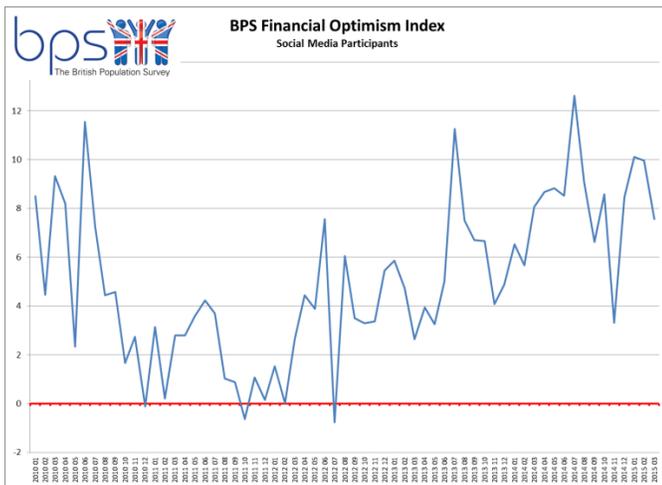
Is Social Media a good indicator of the mood of the population in general?

This election Social Media has been far more in evidence as both a campaign tool and as a way for pundits to 'measure' the effect of the campaigns. It is often assumed that social media is a useful barometer of the mood of the country.

However, to put it into perspective only 50% of the population are active on Social Networks and just 10% participate in on line surveys.

Looking at the Financial Optimism of these two 'influential' groups we see that they tend to be both more optimistic than the population and more volatile in their mood (see charts below).

Thinking back to the Scottish Referendum we saw that when the turnout was high and more representative of the population the on line pols (remember the one which predicted a 'Yes' vote?) tended to be less reliable.



See <http://www.research-live.com/opinion/online-surveys-need-handling-with-care/4012684>.article for a discussion of the influence of on line research and the effect of the You Gov poll which predicted a 'Yes' vote in the Scottish Referendum.

For further information, analysis and comment contact:

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Notes: Figures are collected by The British Population Survey by face to face in home interviews with a population representative sample of 1,000 adults aged 15+ per month (total sample size = 64,999).

Financial Optimism Index values range between 100 (fully positive) and -100 (fully negative).