

## BPS – Financial Optimism Index; May 2015

### Election Result does nothing to restore Confidence.

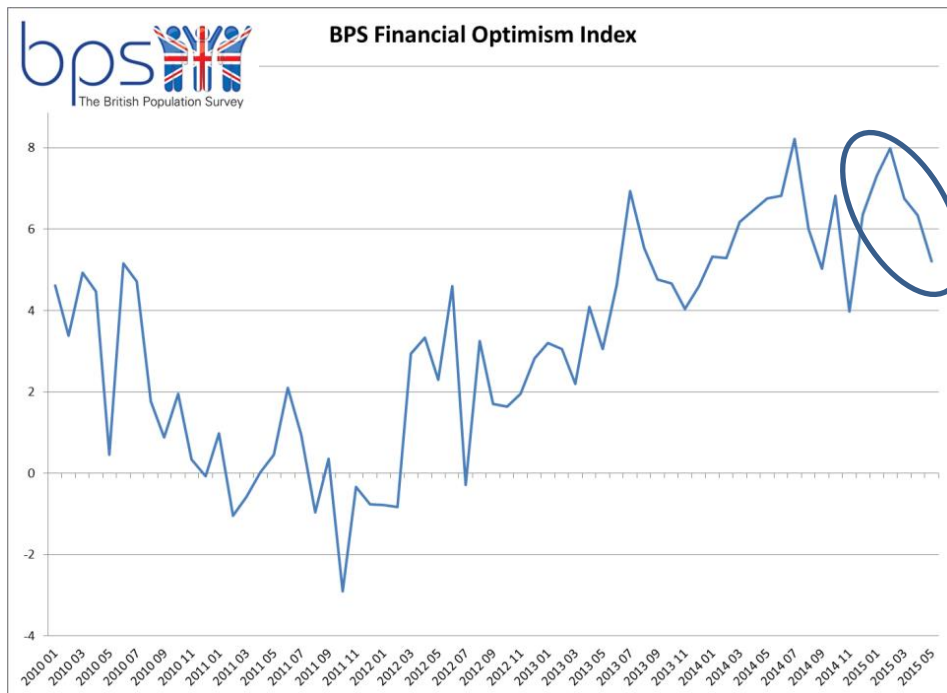
The British Population Survey (BPS) has today (8 June 2015) released the latest Financial Optimism Index.

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

The May post election figures show, for the third 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.

While last time (the 2010 election) there was considerable uncertainty for some time as we entered into the relatively unknown territory of coalition politics (some people may remember the Lib Lab pact!). This time the return to majority government does not seem to have improved people’s outlook.



**The return to majority government does not seem to have improved people’s outlook.**

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.

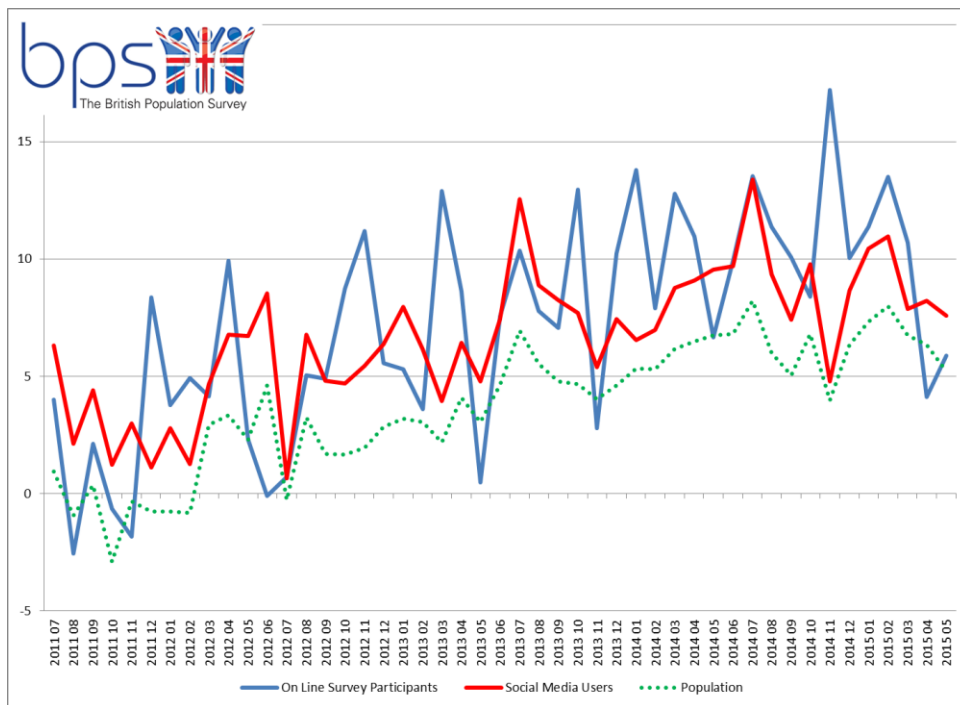
## Is Social Media a good indicator of the mood of the population in general?

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 polls (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:

Steve Abbott; Director; The British Consumer Index

Email; [stevea@thebps.co.uk](mailto:stevea@thebps.co.uk)

Tel; 0203 286 1981

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 = 65,785).

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