

Consumers and The Economic Outlook - UK - February 2011

Report Price: £1695 / \$2610 / €2026

What is this report about?



In this report, Mintel reveals the current state of consumers' household finances, their expectations for 2011, and how their situation has changed over the last year or so. Their spending priorities are assessed, and the potential impact on the broader economy is considered. Mintel's consumer research results are compared against macroeconomic data, in an attempt to discover how broader economic trends are affecting people's personal finances.

What have we found out?

- Saving still tops people's priorities. Some 42% want to add to their emergency fund over the course of 2011, and the same proportion plan to save up for a big ticket purchase. The aftermath of the recession is still being felt, and people are looking for security.
- Although it may cause difficulties in the short term, over the longer-term the shift in consumers' mentality can only be a positive. Consumers themselves expect to consolidate their finances by cutting outstanding borrowing.
- Consumer confidence is extremely fragile. People are worried about their financial future.
- There are strong signs that talk of the government's austerity measures is unsettling consumers. They expect taxes and unemployment to rise, and most believe that they will be at least slightly worse-off as a result of the fiscal tightening.
- Even a year after the recession ended, more and more people are feeling the impact of the slowdown. The proportion of people said they had been unaffected steadily fell throughout 2010.
- Incomes are being squeezed. With inflation outpacing wage growth, consumers are going to be hunting for value - spending priorities continue to be reassessed, and old loyalties will be questioned.

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