



## **Recession... Taking Its Toll**

**Credit Crunch  
Tracking**

**March 2011**

# The Recession is taking its toll on us...



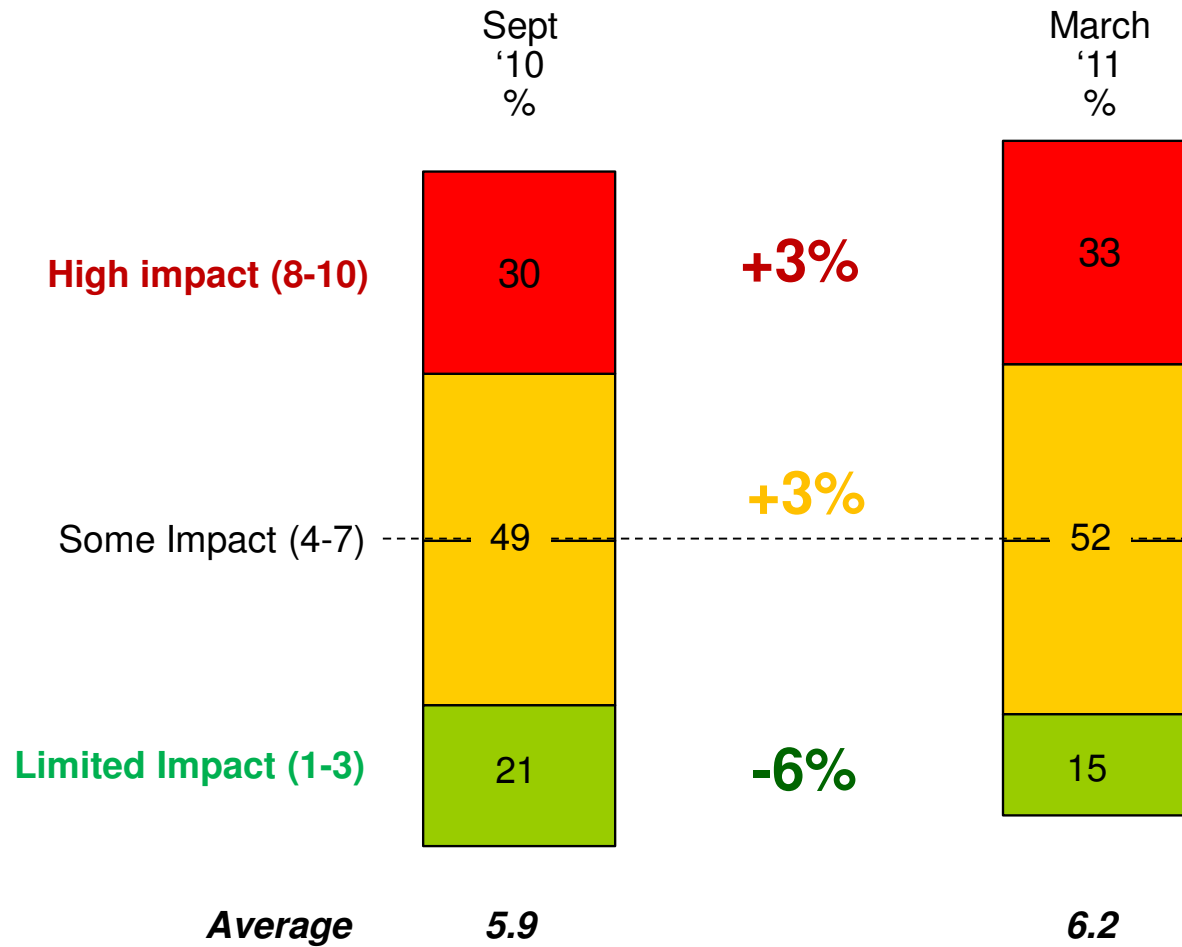
- ✘ The longevity of the recession is taking its toll on us, resulting in declining personal outlook, quality of life and monthly spend intentions.
- ✘ There are continuously declining expectations of the World Economy.
- ✓ However, expectations for the Irish economy have improved post-election.



**C**

**The change in  
Government  
has yet to  
change our  
personal  
outlook on the  
recession**

# Personal Recession Impact – Overall

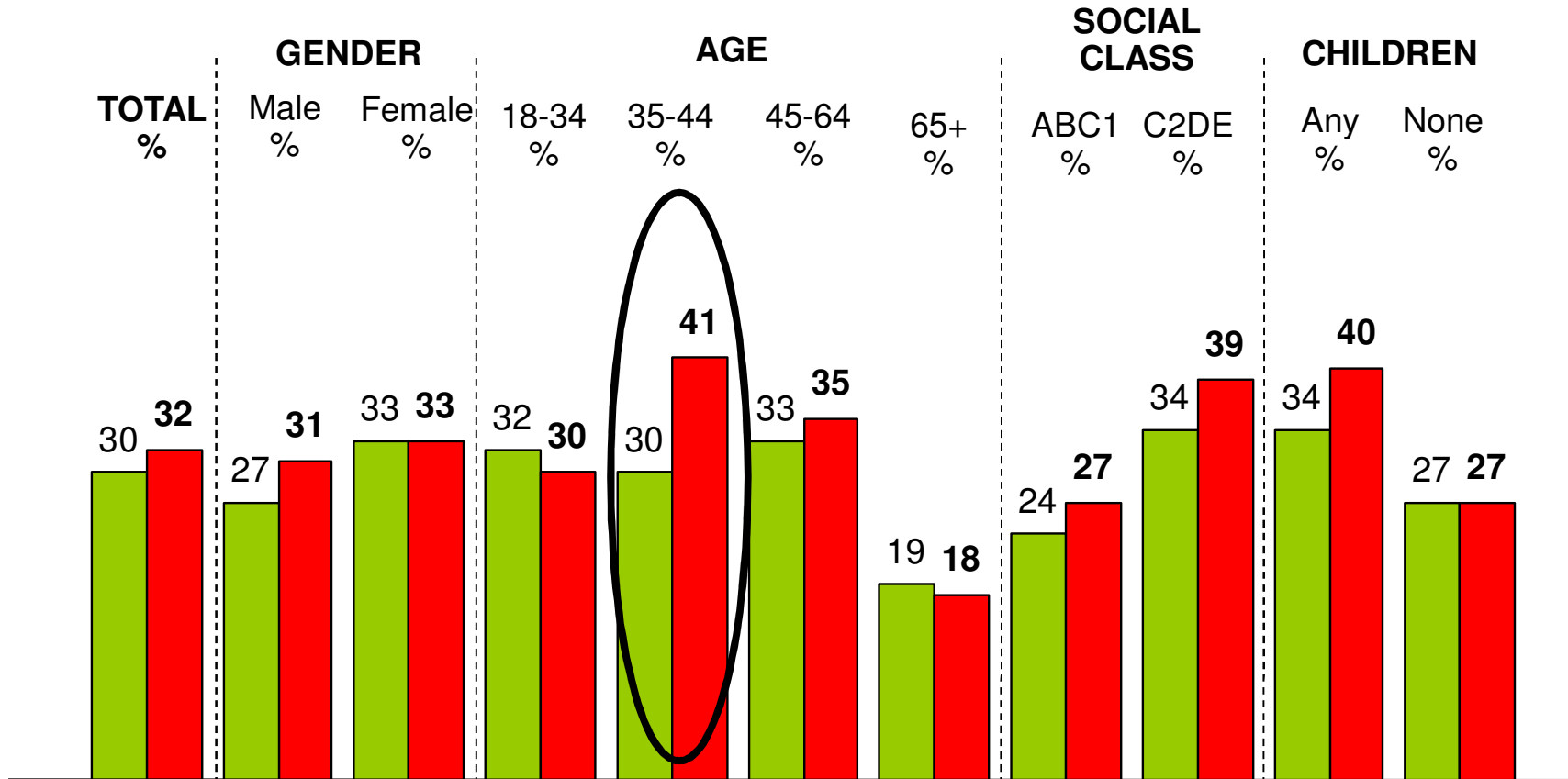


✘ Slightly more people feel impacted overall by the recession compared to September

# Personal Recession Impact Overall – Net High Impact (8-10)



Sept '10   March '11



The 35-44 year olds feel more impacted overall by the recession than any other demographic group and are considerably more pessimistic now than in September.



**C**

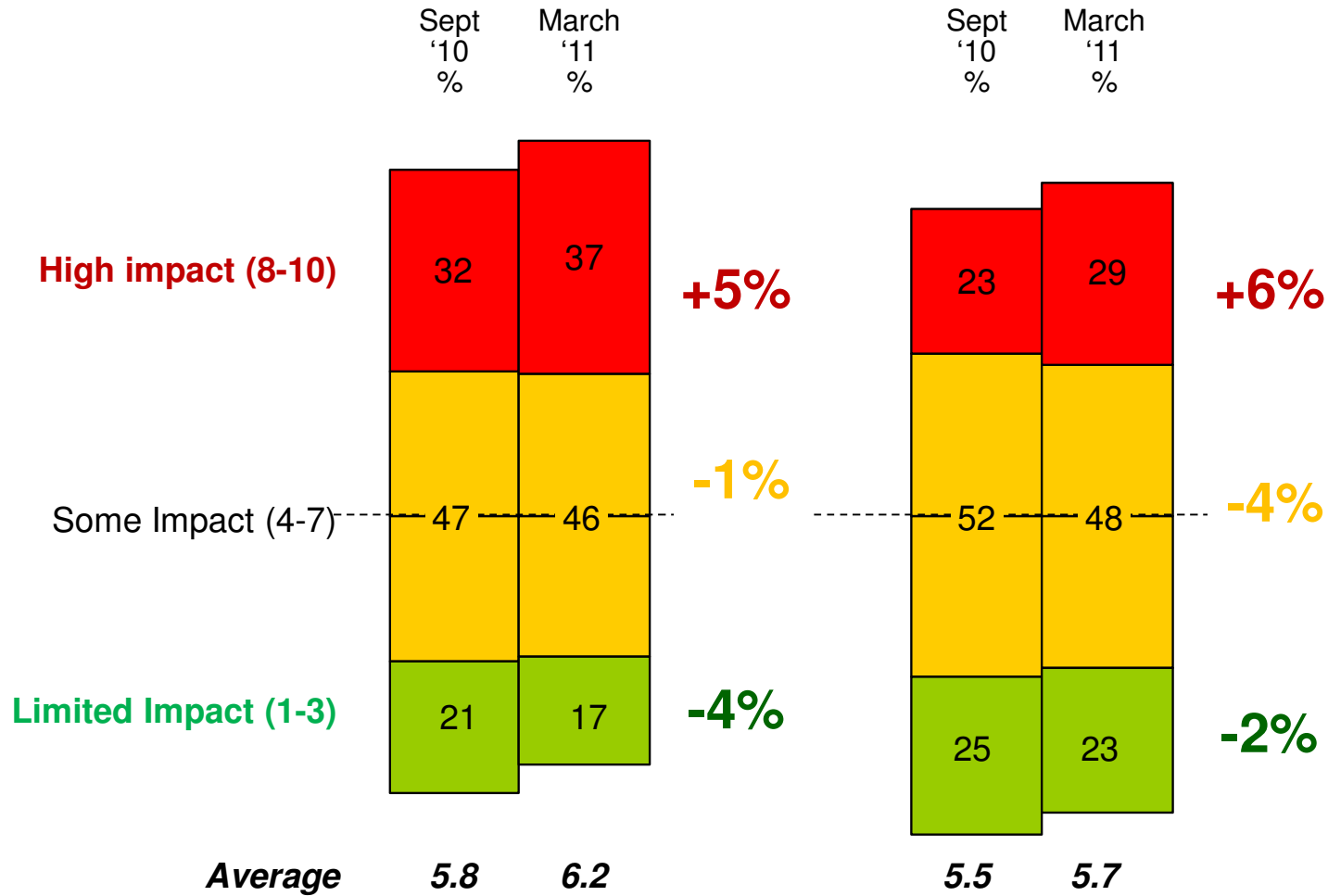
**Our monthly spending, way of life and job security have all taken a hit since September**

# Impact of Recession on....

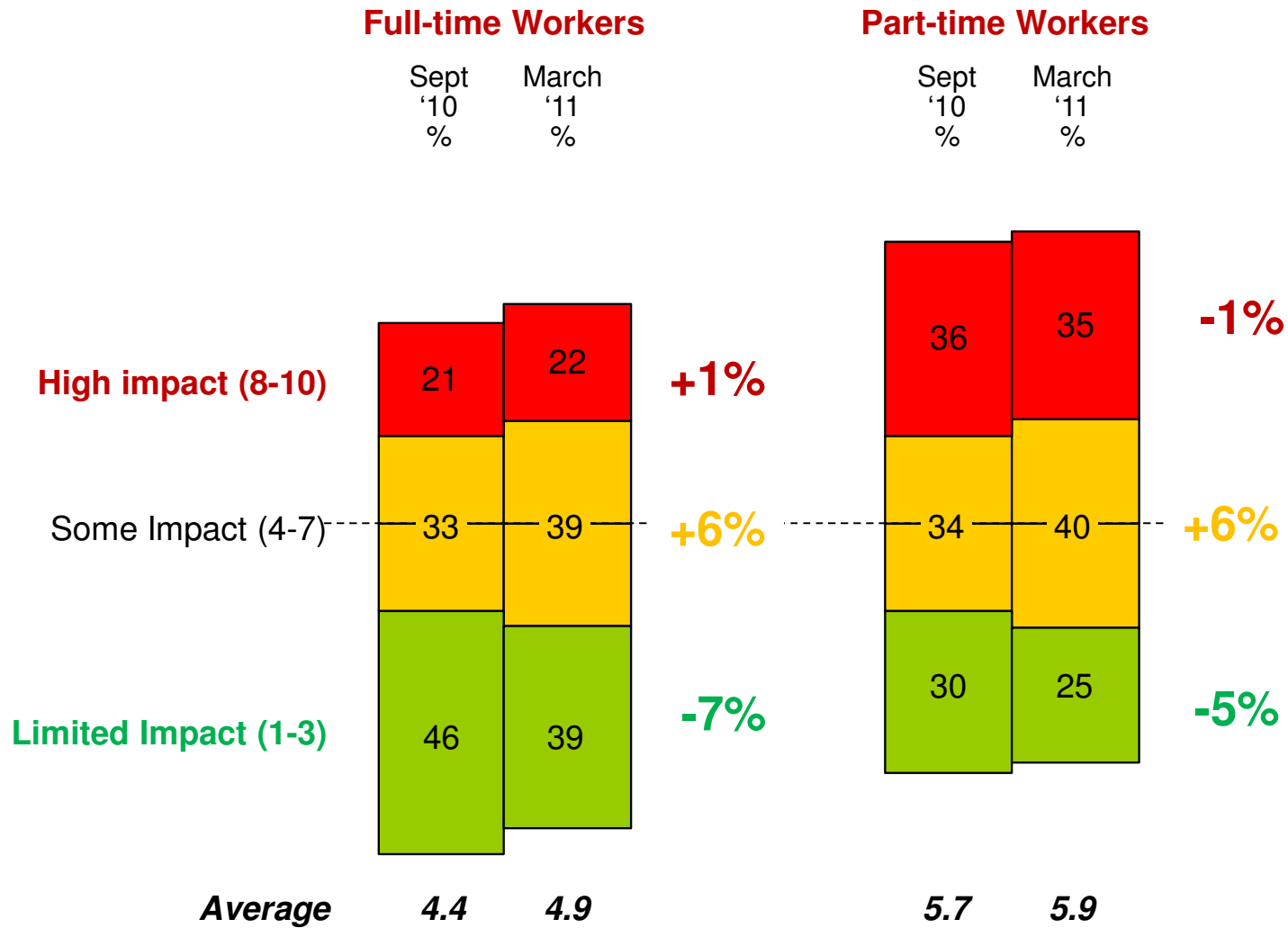


## Monthly Spending

## Your Way Of Life



# Impact of Recession on Job Security



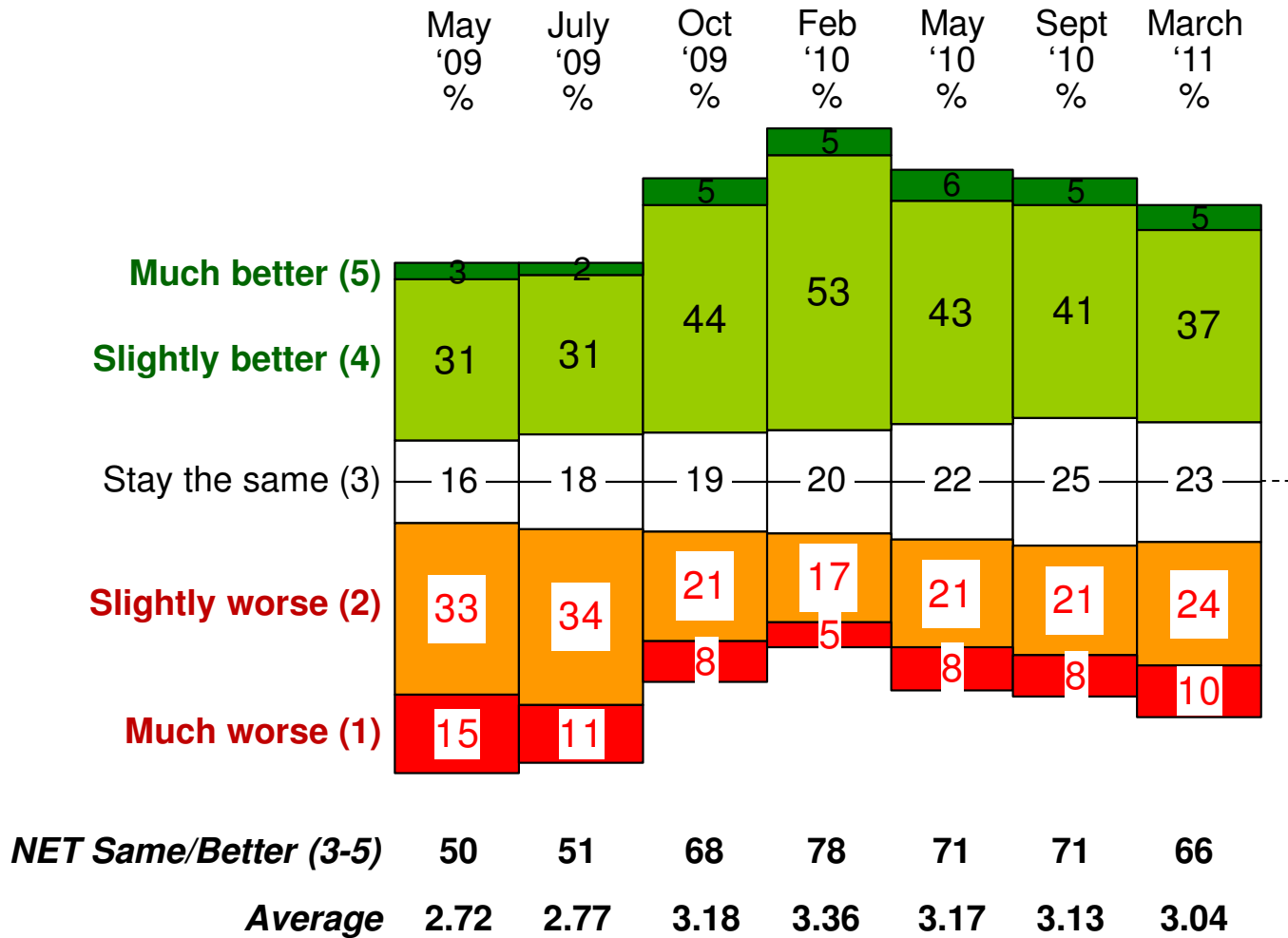




**C**

**Slightly more  
negative  
expectation of  
the World  
Economy is  
impacting our  
lack of optimism**

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



✘ Expectations for the World economy have declined continuously over the past year.

✘ More than 1 in 3 believe the World economy will fare worse in the next 6 months.

✓ But more than 2 in 5 expect the World economy to improve.

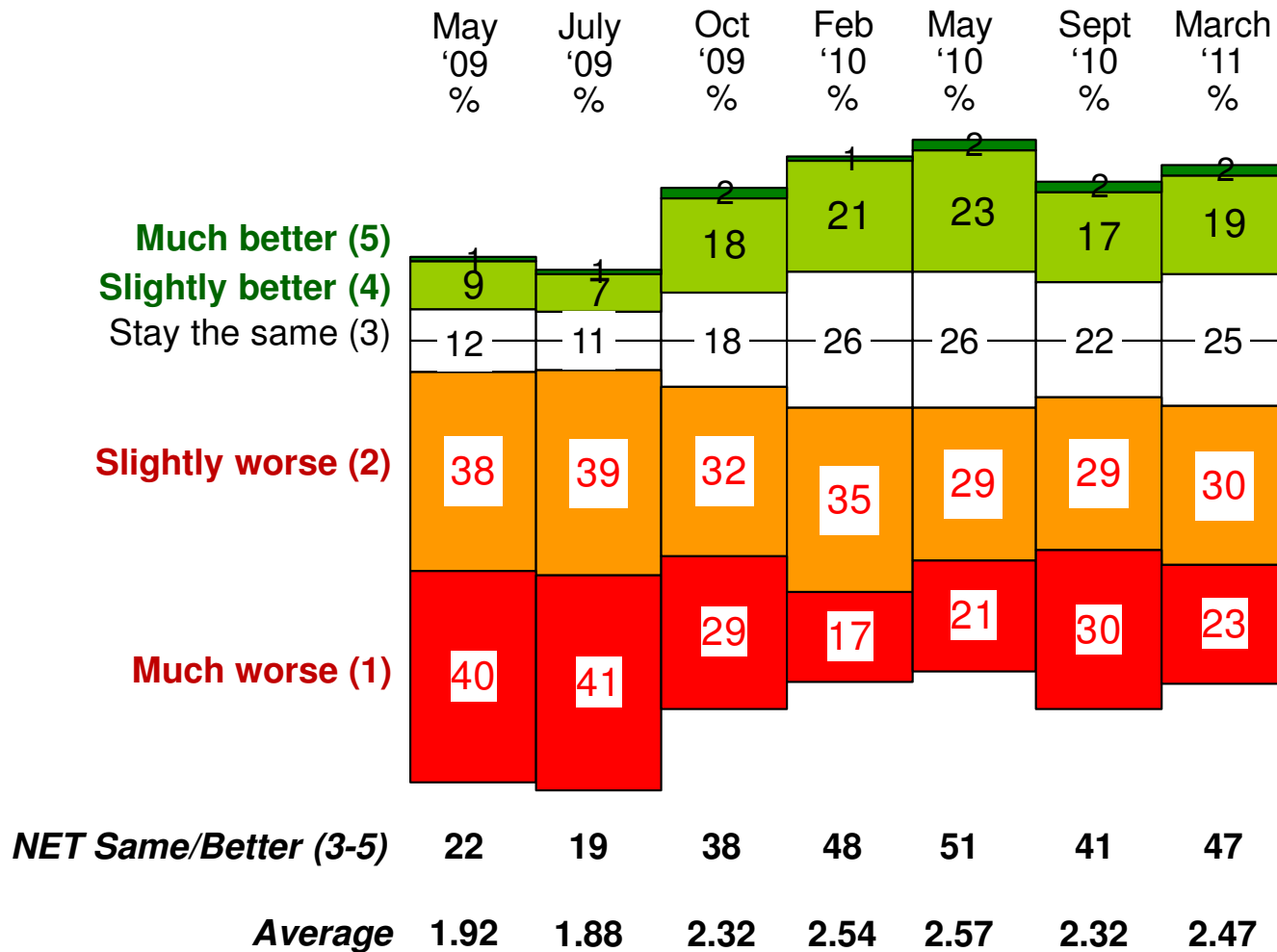


**C**

**But our  
expectation for  
the Irish  
economy has  
improved after  
the election**



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



✓ More than 1 in 5 expect the economy to improve over the next 6 months.

✓ Almost half do not expect the economy to worsen over the next 6 months.



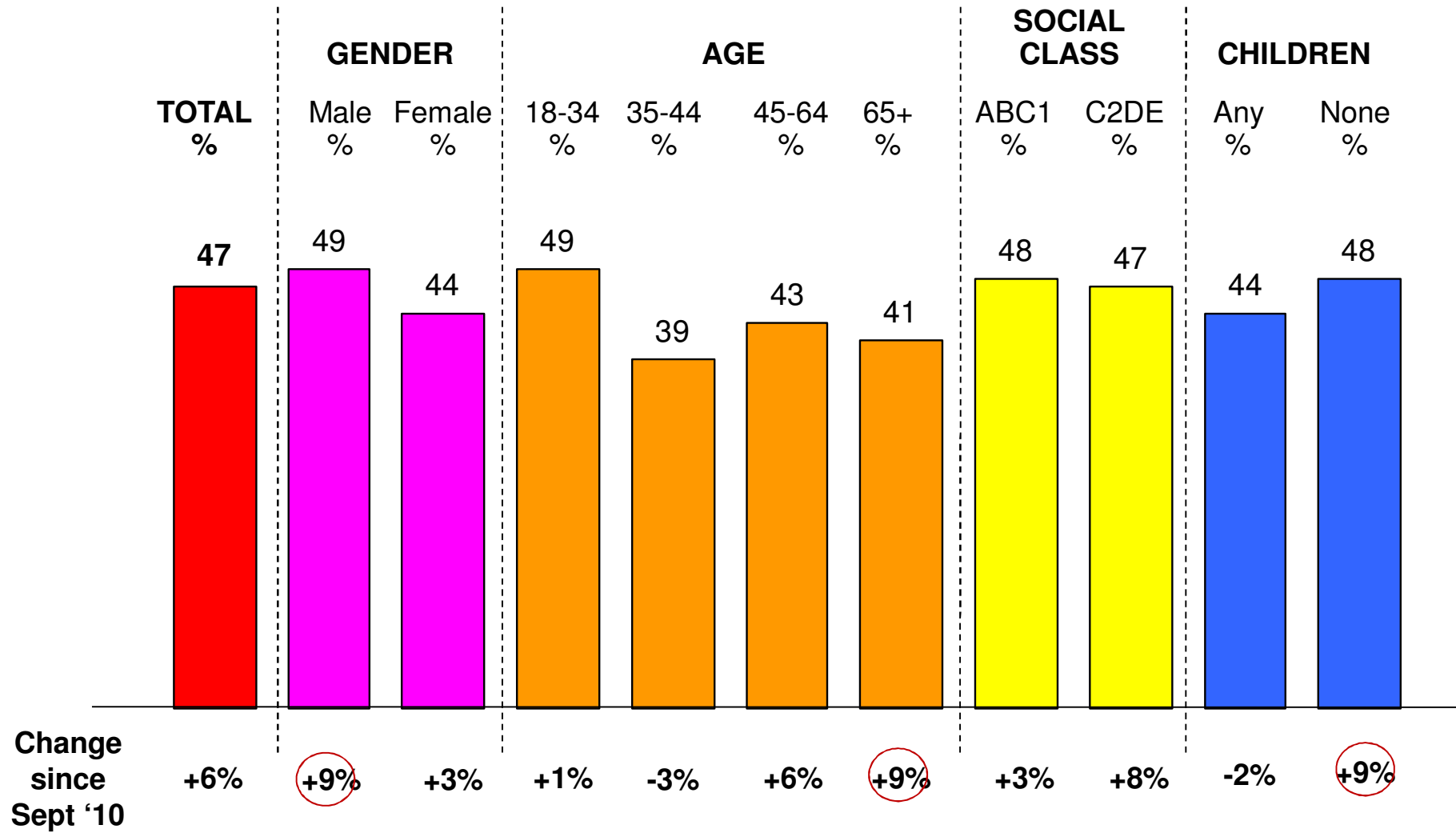
Once again, **C**  
higher  
expectation is  
evident among  
the youth.



But the largest  
increase in  
expectation  
since September  
is among the  
elderly.

# Expectations for the Irish economy 6 months from now

% Stating they believe it will be the same or better (3-5)





**C**

**Stability  
expected for job  
market...**

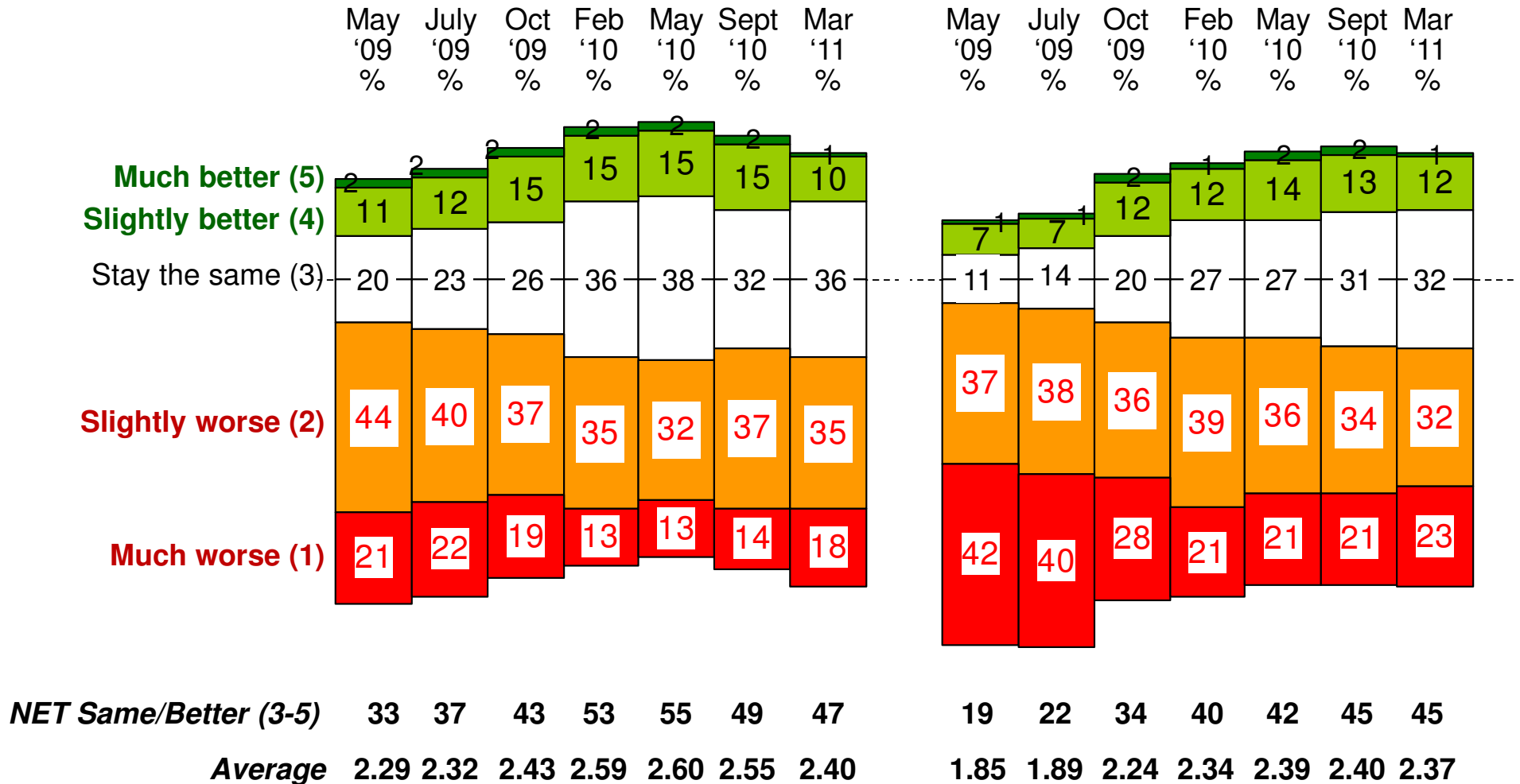
**.. but some  
foresee a  
worsening  
house market.**

# How do you expect the Housing and Job markets to fare in the next 6 months?



The Housing Market 6 months from now?

Job security 6 months from now?







**C**

**Our happiness remains high in spite of the recession.**

**But we see a decrease since September.**

# Change Compared To Same Time Last Year in ....



Sept '10   March '11



**Quality of Life**  
%



**Your Happiness**  
%



**Your Energy for Life**  
%








**Your Motivation**  
%



**Less than 1 in 4 claim their happiness has decreased since the same time last year. But more than 1 in 3 feel their quality of life has declined.**

# Change Compared To Same Time Last Year Analysed by key demographics



 % Better/Same as same time last year	 Quality of Life	 Your Happiness	 Your Energy for Life	 Your Motivation
<b>Total</b>	65	78	76	74
<b>Gender</b>				
Male	68	81	78	78
Female	61	76	75	69
<b>Age</b>				
18-34	66	76	77	76
35-44	56	70	72	69
45-64	60	78	76	71
65+	82	93	80	77
<b>Social Class</b>				
ABC1	67	81	80	78
C2DE	62	76	73	69

The 35-44 year olds have seen greater negative impact on quality of life and happiness compared to a year ago.



**C**

**The uncertainty is holding our spending back...**

# Likelihood to increase spend in...

C

Entertainment  
such as going out,  
eating, drinking or  
socialising



Feb '10  
%  
May '10  
%  
Sept '10  
%  
Mar '11  
%

Grocery  
spend



Feb '10  
%  
May '10  
%  
Sept '10  
%  
Mar '11  
%

Consumer goods  
and services – e.g.  
hairdresser,  
clothes, mobile  
phone, gaming etc.



Feb '10  
%  
May '10  
%  
Sept '10  
%  
Mar '11  
%

Holidays  
and short  
breaks



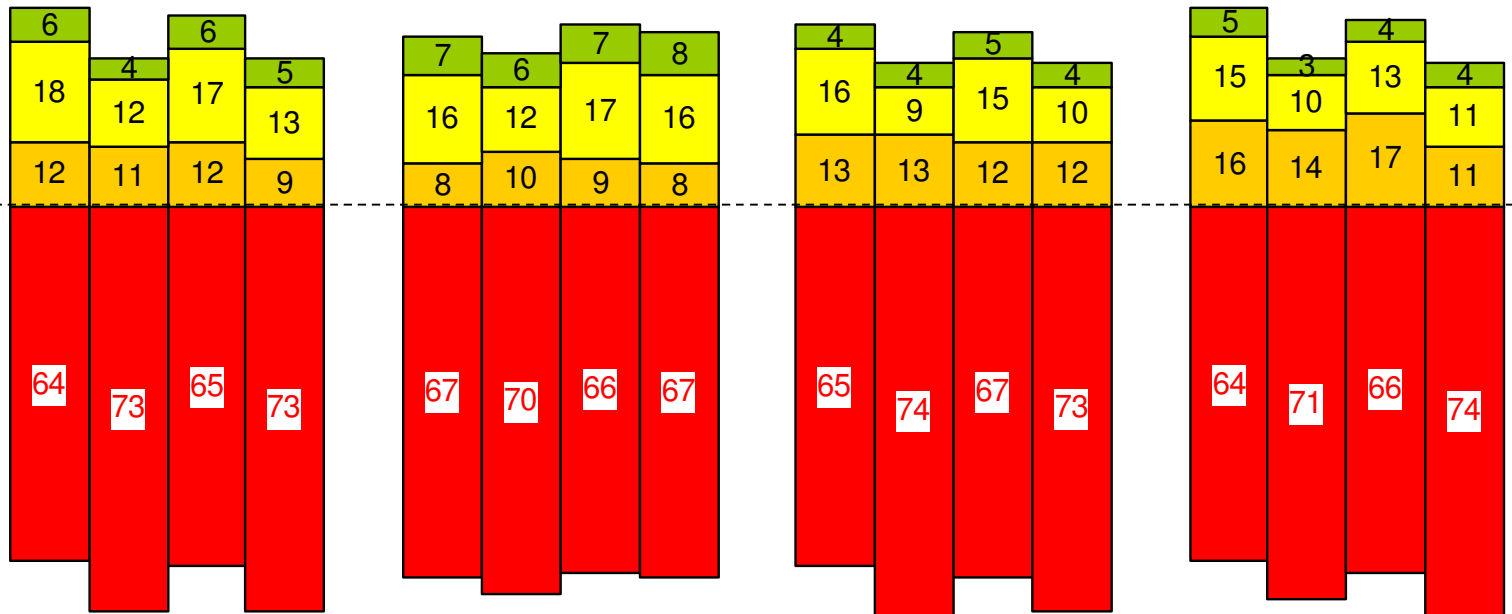
Feb '10  
%  
May '10  
%  
Sept '10  
%  
Mar '11  
%

Already increased

Likely to increase  
in next 6 months

Likely to increase  
in next 12 months

Not likely to increase



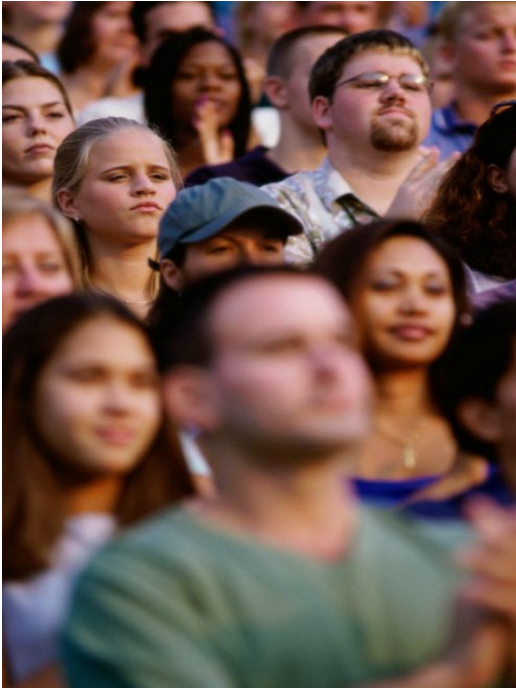
A return to cautiousness is seen in March, after positive spend expectation recorded in September.

# The 18-34 year olds are most likely to increase spend again...

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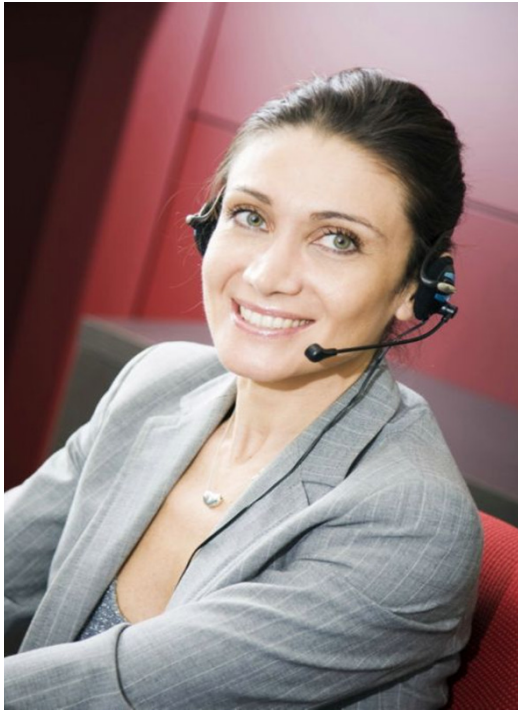
% Likely to increase spend in next 12 months	Entertainment	Grocery Spend	Consumer Goods/ Services	Holidays/ Shorter Breaks
<b>Total</b>	<b>22</b>	<b>24</b>	<b>22</b>	<b>22</b>
<b>Gender</b>				
Male	21	24	19	22
Female	23	22	25	22
<b>Age</b>				
18-34	32	29	26	25
35-44	15	24	19	29
45-64	17	18	18	21
65+	16	22	17	19
<b>Social Class</b>				
ABC1	22	25	22	25
C2DE	23	23	22	18



## Summary...



- **Expectation for how the Irish economy will fare over the next 6 months has improved after the election.**
- **But the longevity of the recession and a continuous decline in expectations of the World Economy are holding us back.**
- **The duration of the recession is taking its toll on us with declines in our quality of life, happiness and spending intention.**
- **Good news is required to change the current pessimistic outlook and increase spend.**



## Methodology – RED Express



- 1,000 telephone interviews (CATI) using a random digital sample to ensure coverage of all households, including ex-directory.
- Quotas were set and data weighted to ensure a national representative sample of the population aged 18+ years.
- This is the 10<sup>th</sup> wave of the credit crunch tracking – fieldwork was conducted the 7<sup>th</sup>-9<sup>th</sup> March 2011.

