



**Cautious
Optimism
Resurfaces ...**

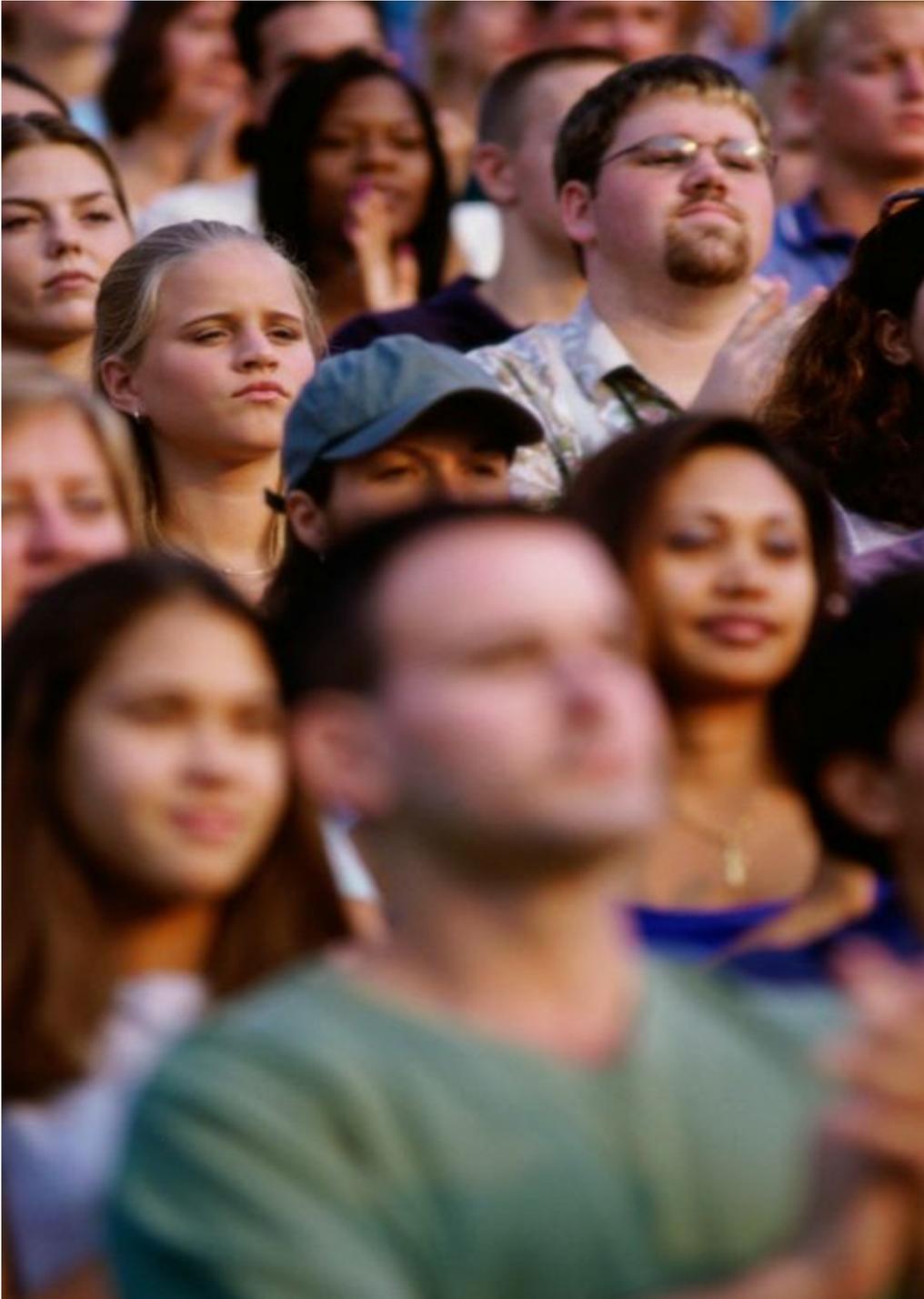
Credit Crunch
Tracking

June 2011

Cautious Optimism Resurfaces...



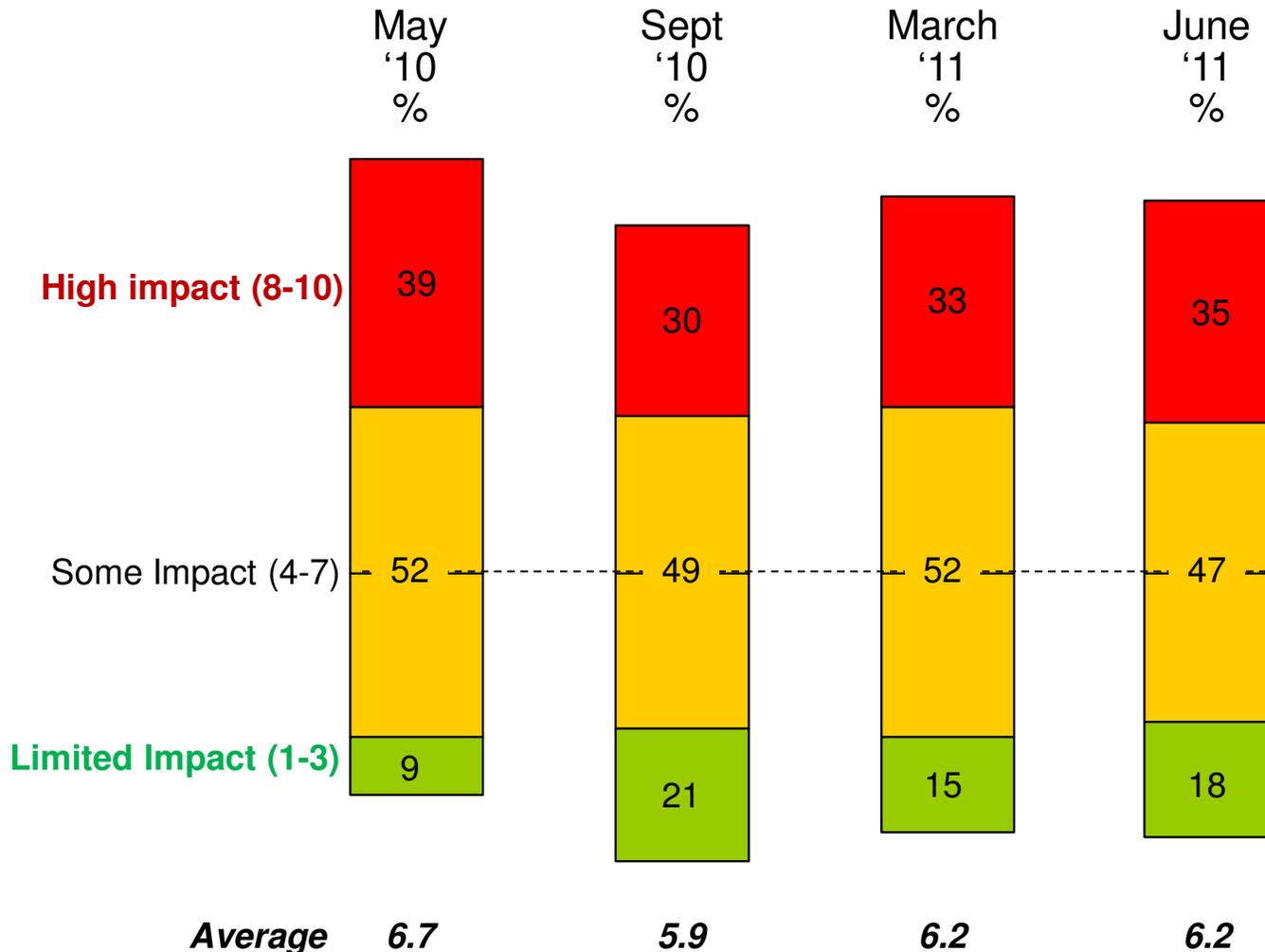
- ✓ In spite of the current debt crisis in Greece/Europe, Irish consumers remain as optimistic as post-election three months ago, and much more optimistic than a year ago.
- ✓ Expectations for the Irish economy have also improved, and as a people we claim to be much “happier” than three months ago.
- ✓ Our monthly spending has increased also slightly...
- ✗ ... however concerns over the World economy are stifling further increases.



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Our personal outlook on the recession is much more positive than a year ago and unchanged from the level recorded post-election.

Personal Recession Impact – Overall

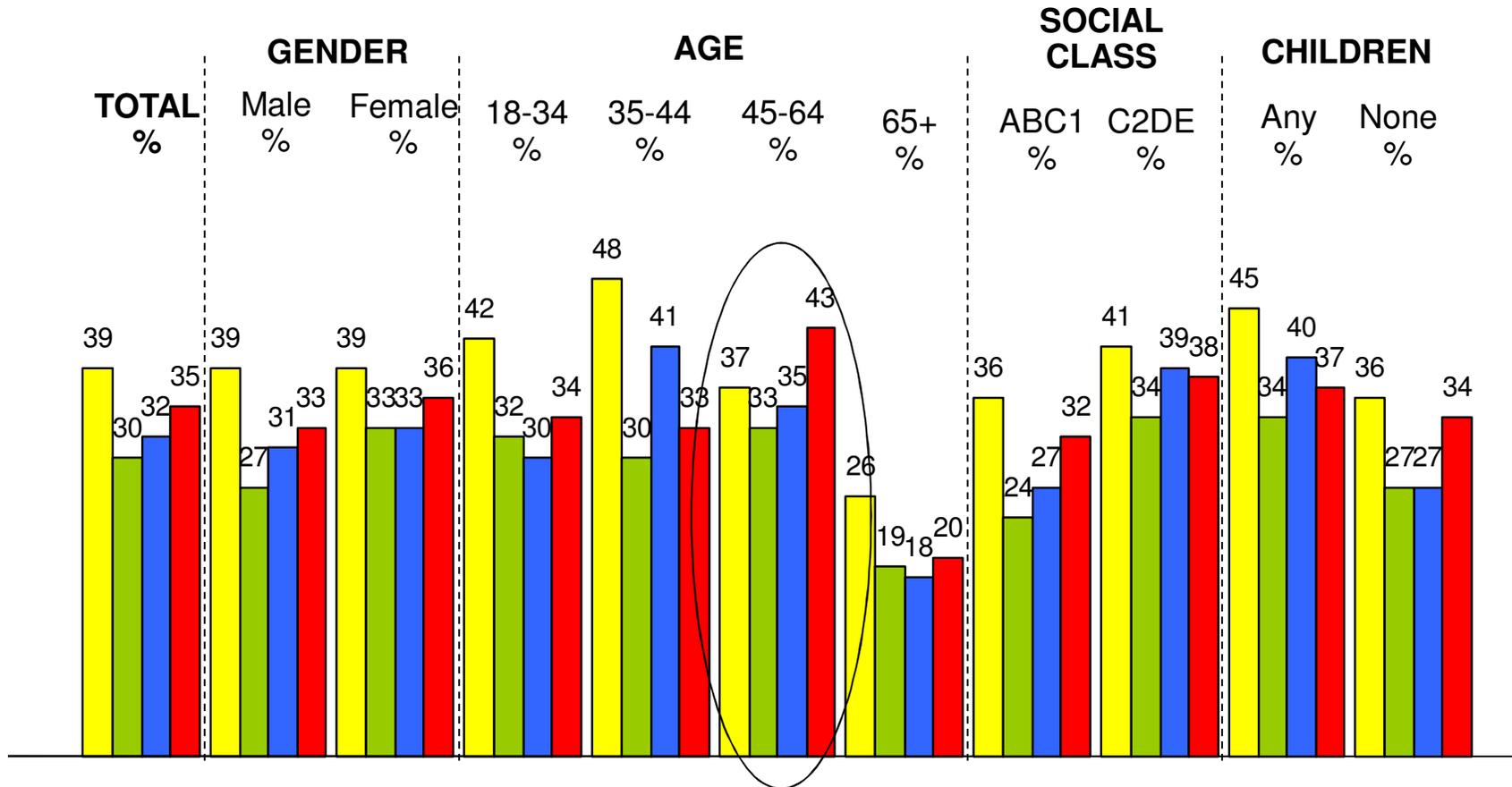
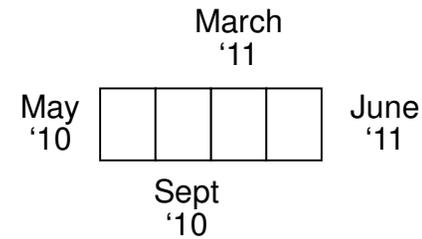


✓ Less people feel personally impacted by the recession than a year ago.

✗ But more than 1 in 3 still feel the recession has had a major impact on them personally.

Personal Recession Impact Overall

– Net High Impact (8-10)



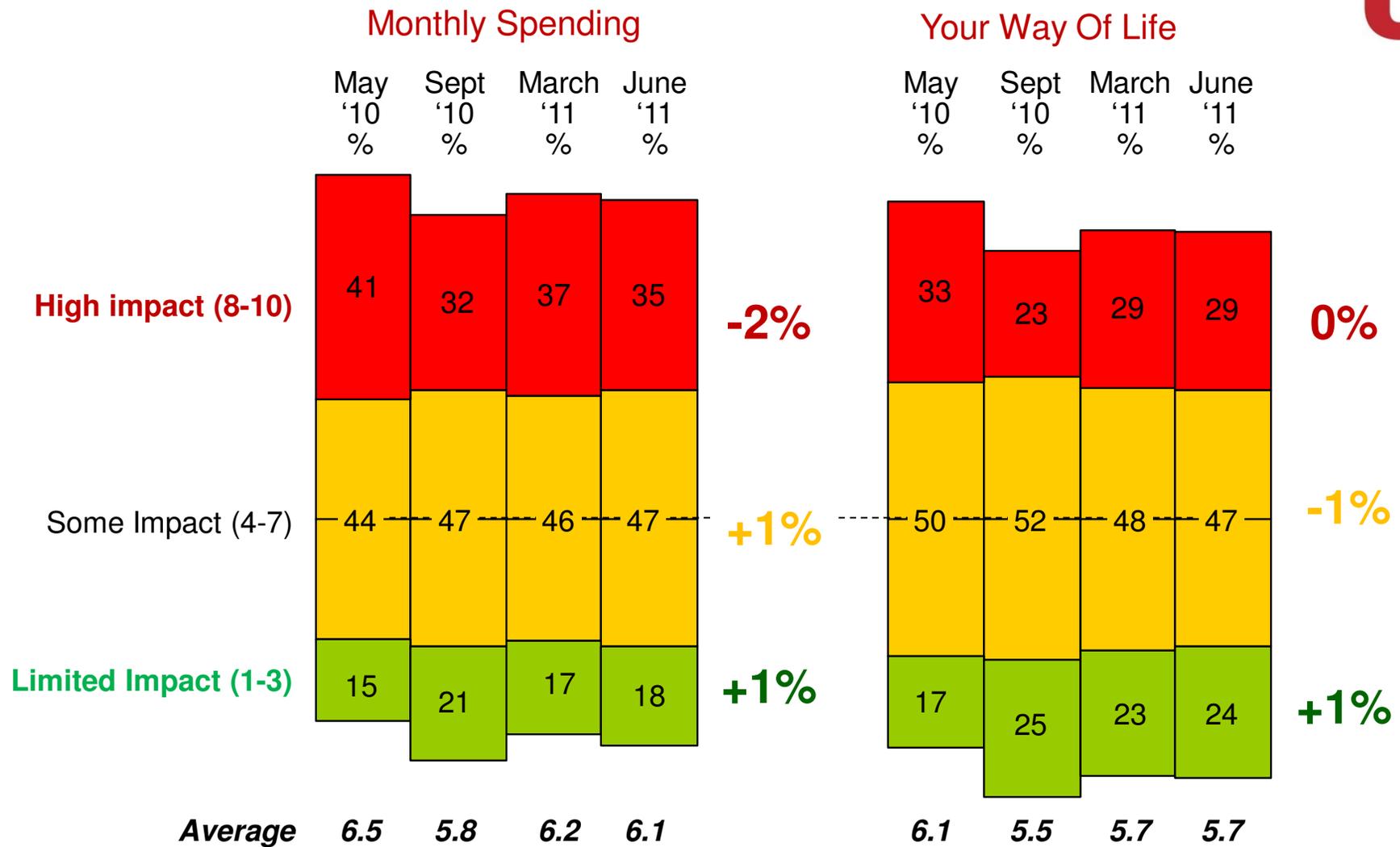
The 45-64 year olds feel more impacted overall by the recession than any other demographic group and are considerably more impacted now than in March.



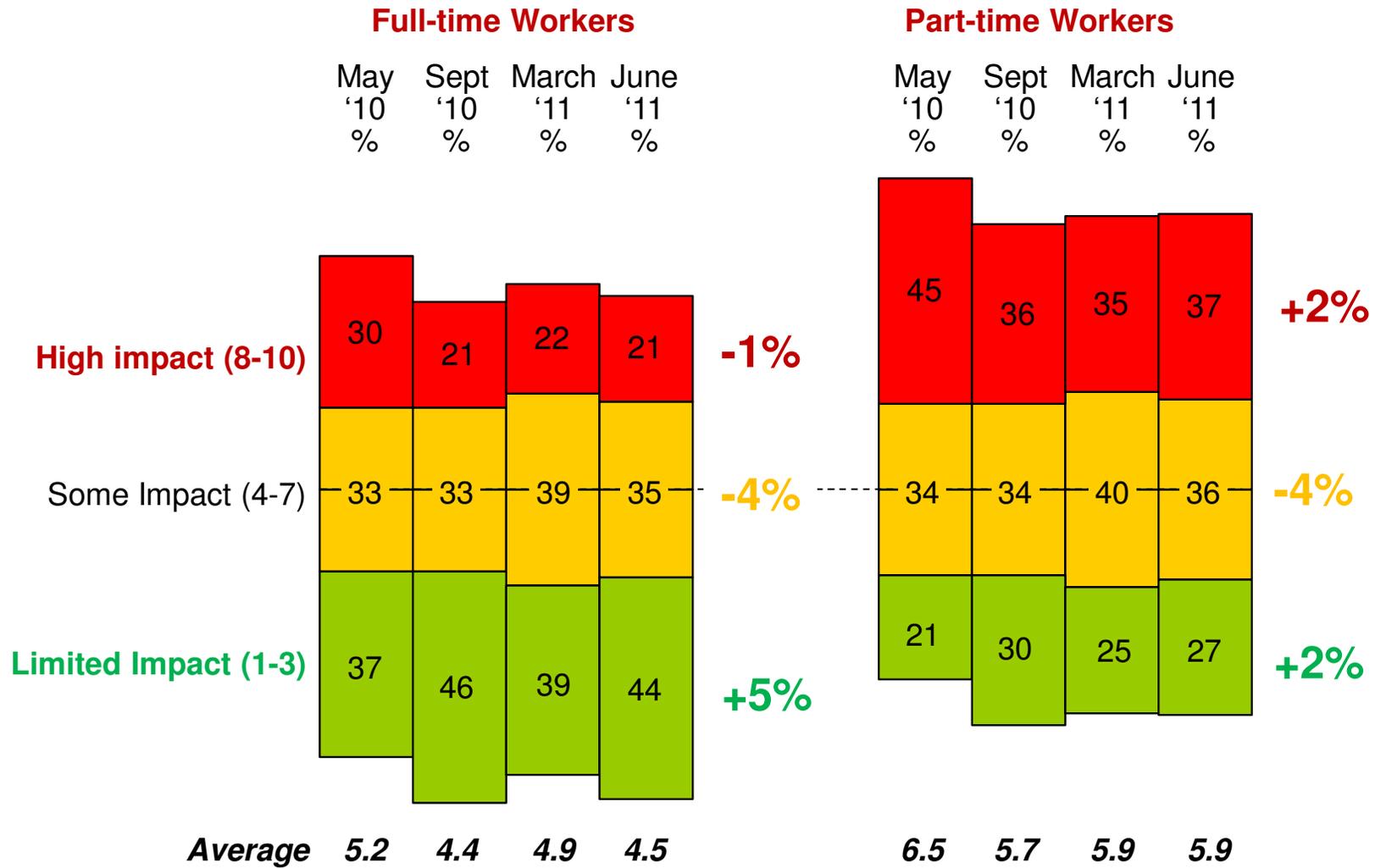
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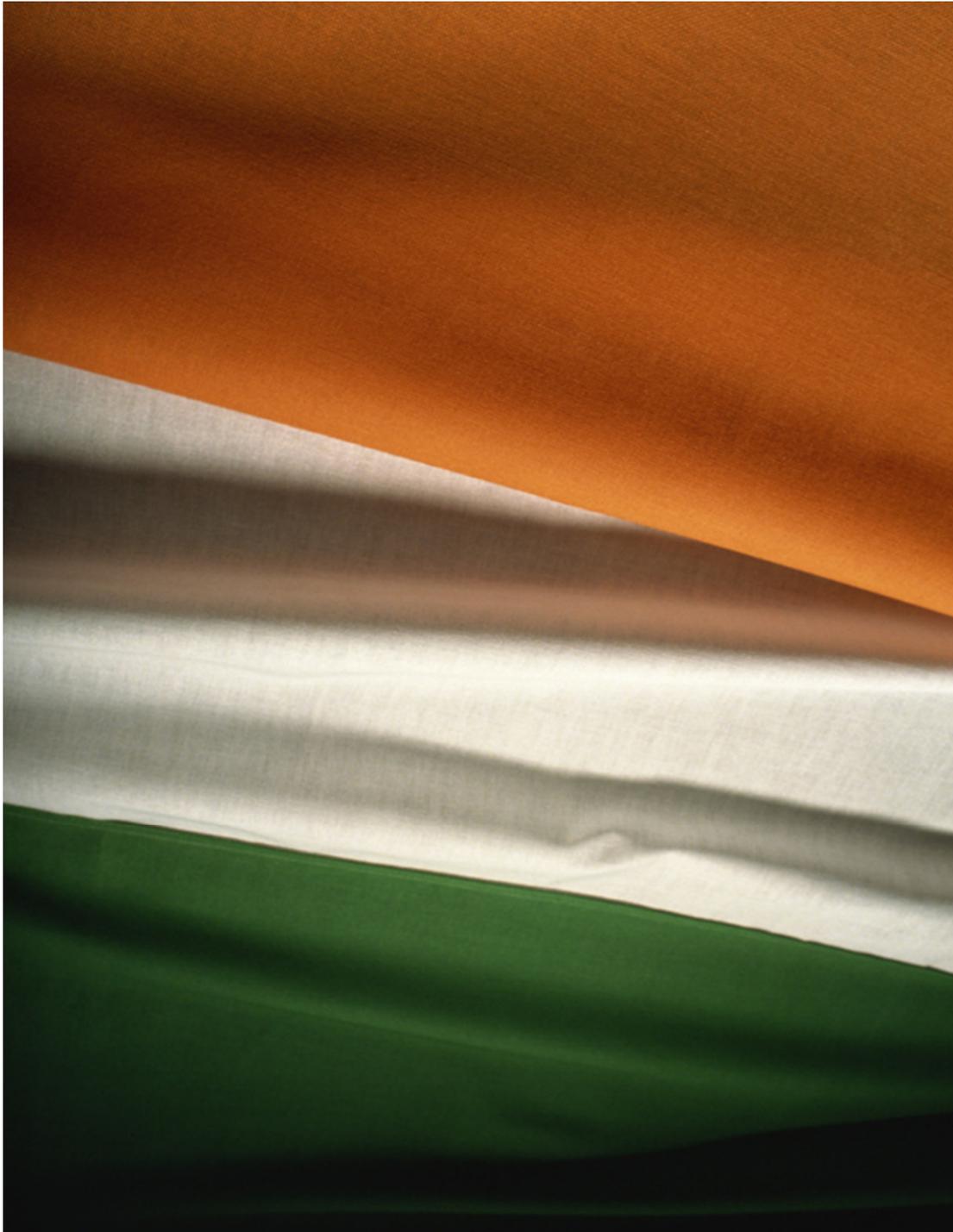
The impact on our monthly spending and way of life has lessened over the past year, with a decreased impact on job security in the past three months.

Impact of Recession on....



Impact of Recession on Job Security



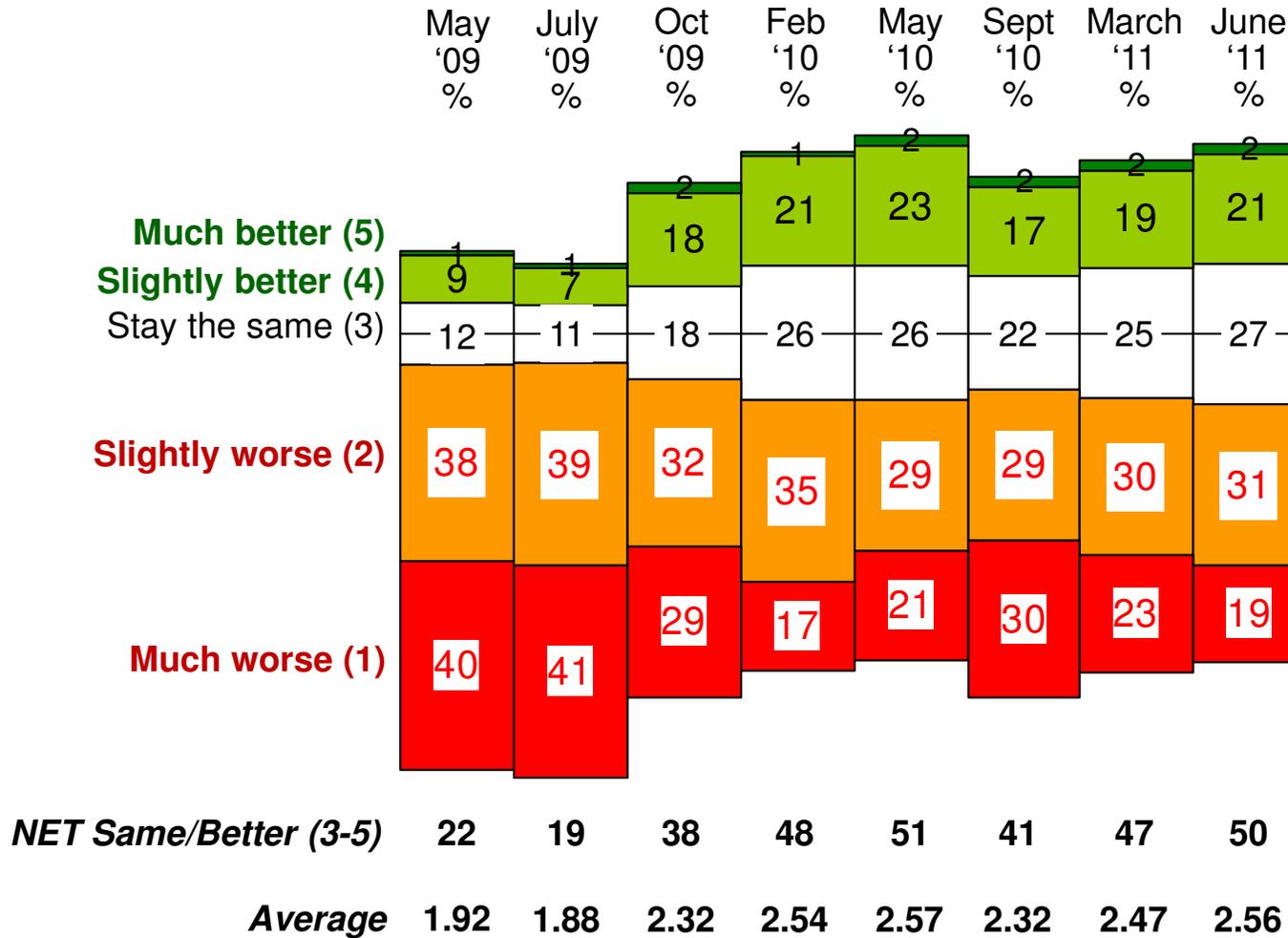


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Expectations for the Irish economy continue to improve – after falling back at the end of last year with the austerity budget



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



✓ Almost 1 in 4 expect the economy to improve over the next 6 months.

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



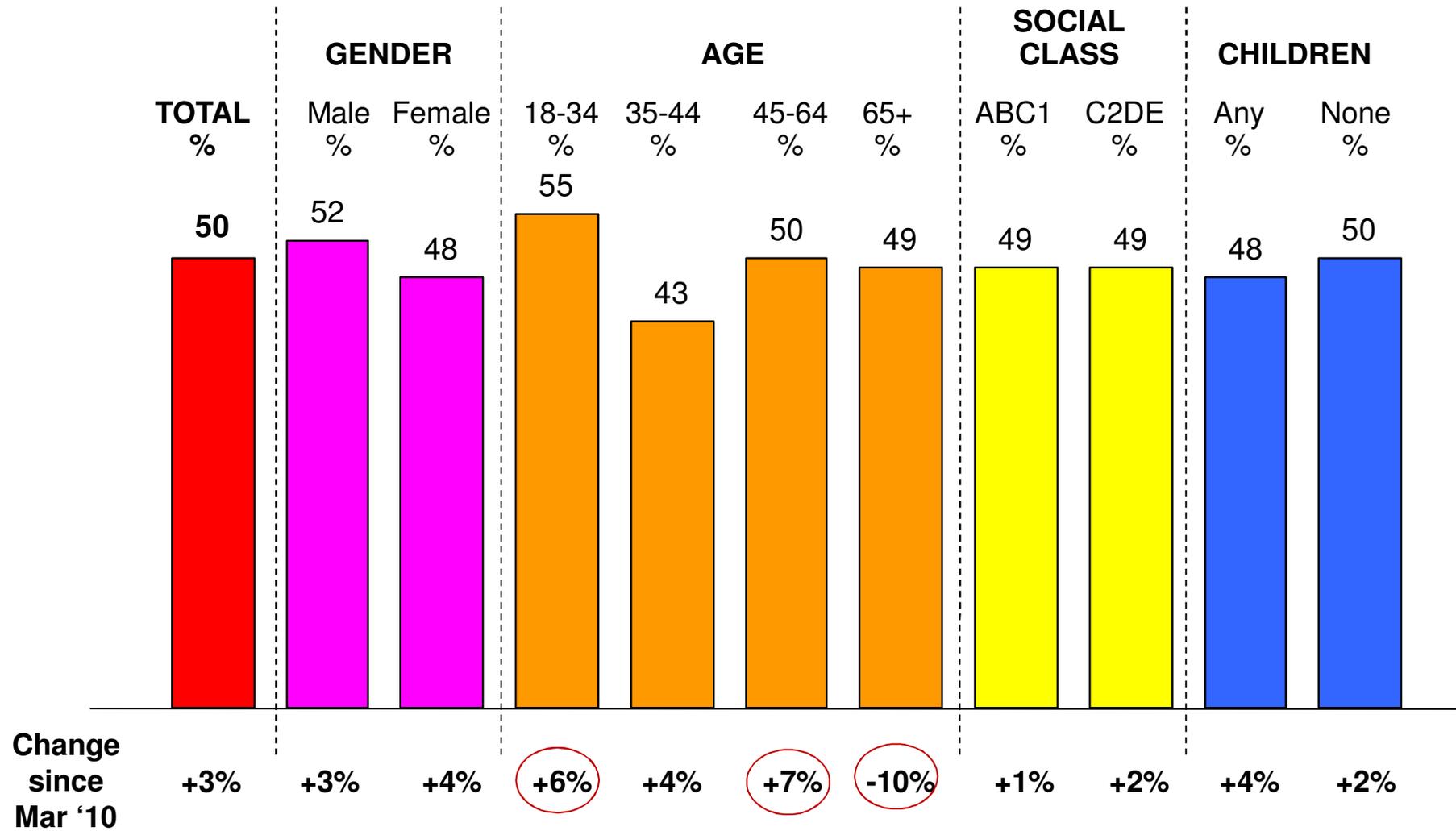
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The youth has the most positive expectations for the economy.

While we see a significant decline in expectations among the elderly.

Expectations for the Irish economy 6 months from now

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



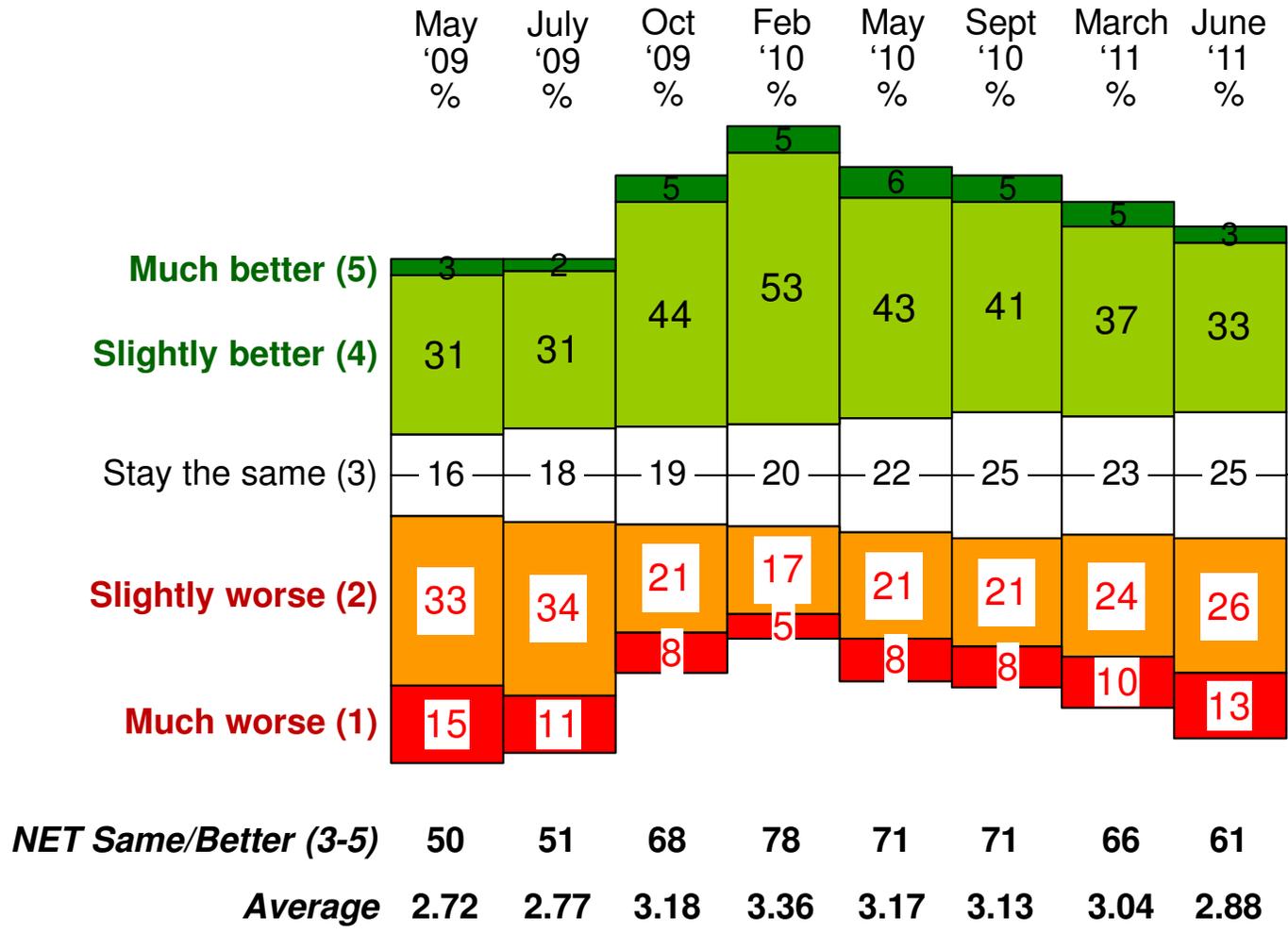


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In contrast,
expectations for
the World
economy
continue to
decline –
perhaps driven
by the debt crisis
in Greece



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



✗ Almost 2 in 5 expect the World economy to fare worse in the next 6 months.

✓ But more than 1 in 3 expect the World economy to improve in the next 6 months.



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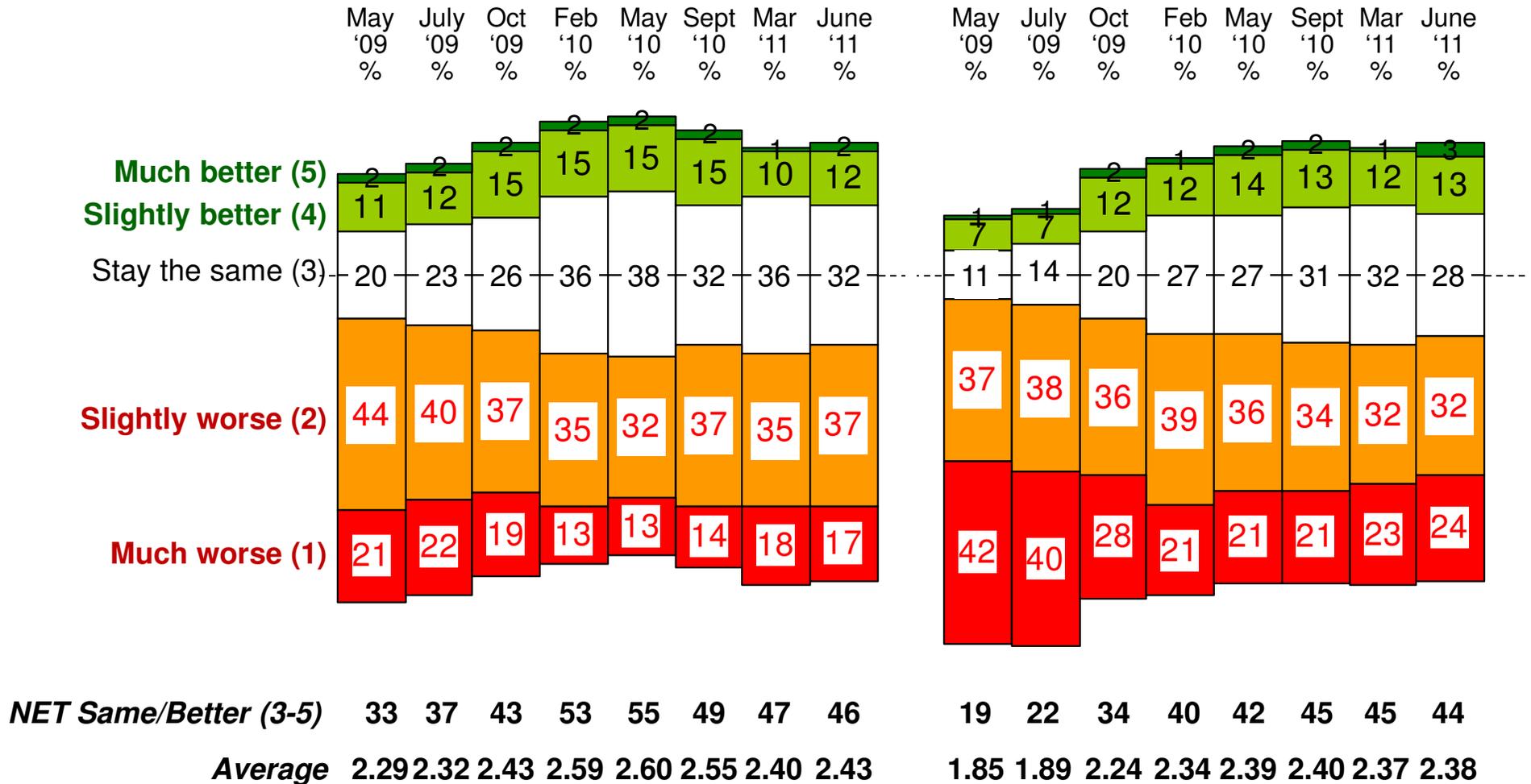
Expectations for the housing market and job security in Ireland are unchanged over the past three months.

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?





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There is an increase in happiness among Irish consumers since March, with less people suggesting their quality of life, motivation and energy has declined

Change Compared To Same Time Last Year in

March '11 June '11



Quality of Life %



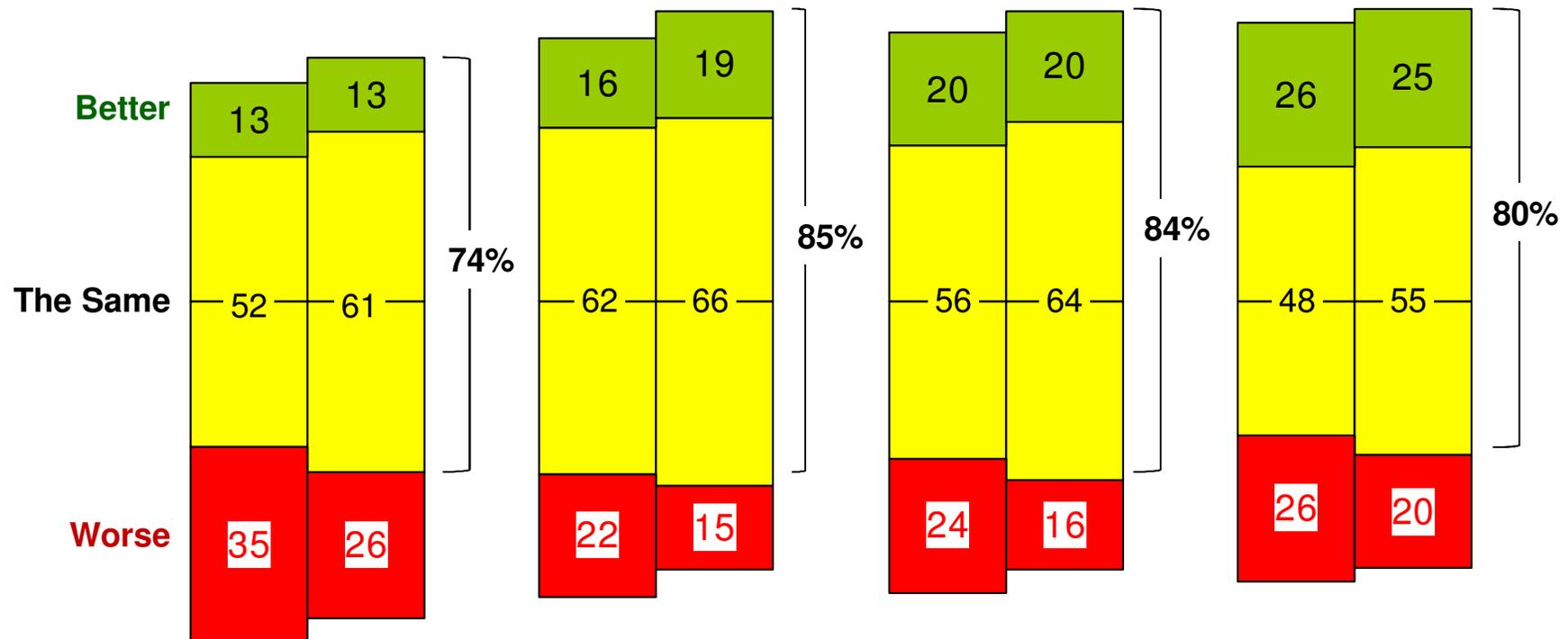
Your Happiness %



Your Energy for Life %



Your Motivation %



Our happiness has improved with almost 1 in 5 feeling happier now that at the same time last year. Our quality of life has also improved but 1 in 4 feel that their quality of life have declined since last year.

Change Compared To Same Time Last Year Analysed by key demographics

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% Better/Same as same time last year	 Quality of Life	 Your Happiness	 Your Energy for Life	 Your Motivation
Total	74	85	84	80
Gender				
Male	76	87	90	85
Female	72	83	78	75
Age				
18-34	77	85	84	81
35-44	69	83	78	74
45-64	69	84	85	80
65+	85	94	88	85
Social Class				
ABC1	73	84	80	77
C2DE	72	85	84	80

Those aged 65 and over have seen a greater positive impact on quality of life and happiness compared to a year ago.



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As a result more people claim to have either already increased monthly expenditure or expect to do so in the next six months...

...but uncertainty is holding further spending back.

Likelihood to increase spend in...

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Entertainment
such as going out,
eating, drinking or
socialising



May '10	Sept '10	Mar '11	June '11
%	%	%	%

Grocery
spend



May '10	Sept '10	Mar '11	June '11
%	%	%	%

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



May '10	Sept '10	Mar '11	June '11
%	%	%	%

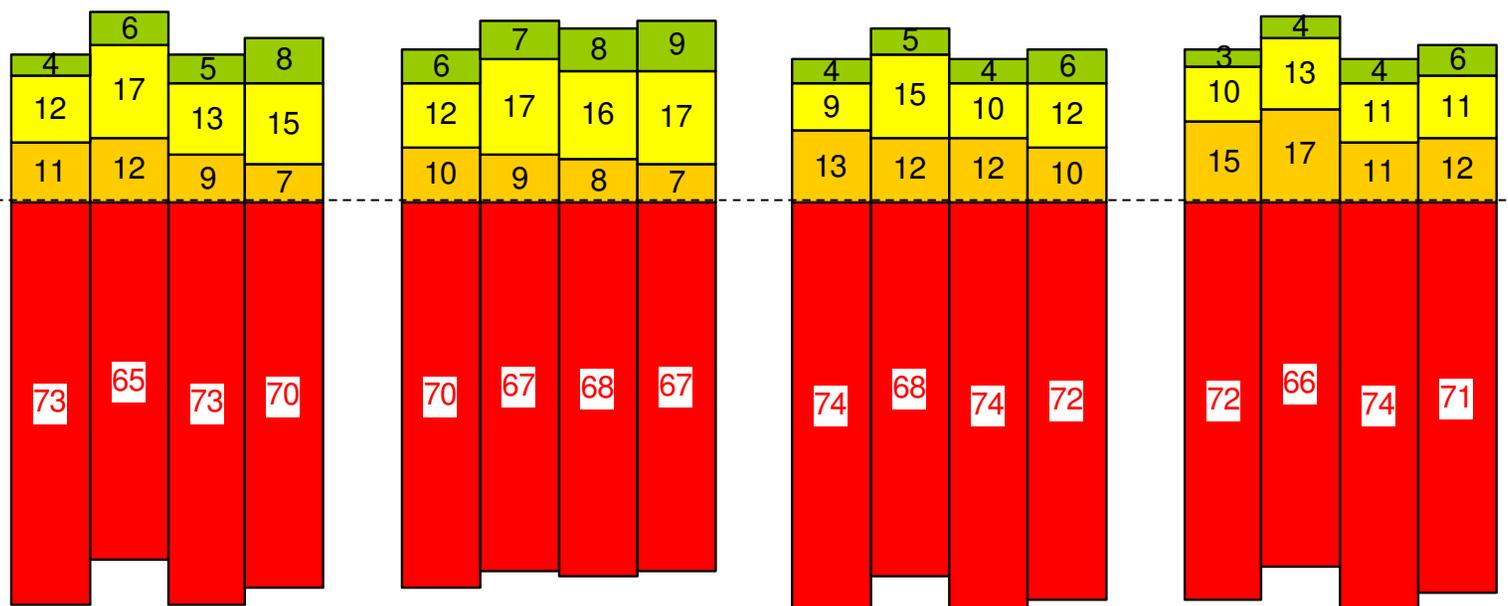
Holidays
and short
breaks



May '10	Sept '10	Mar '11	June '11
%	%	%	%

Already increased
Likely to increase
in next 6 months
Likely to increase
in next 12 months

Not likely to
increase

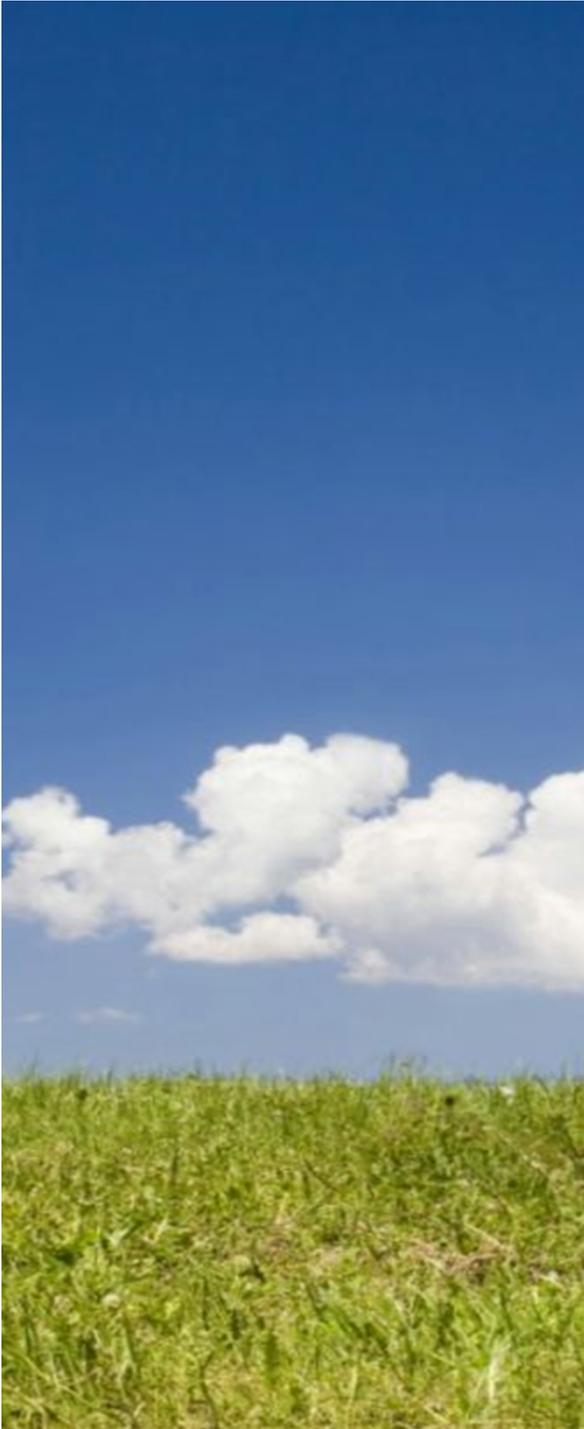


More people are now claiming to have increased spend across all categories, but especially for entertainment/socialising – with an improved proportion also saying they will spend more in the next six months

The 18-34 year olds are most likely to increase spend again... across all categories



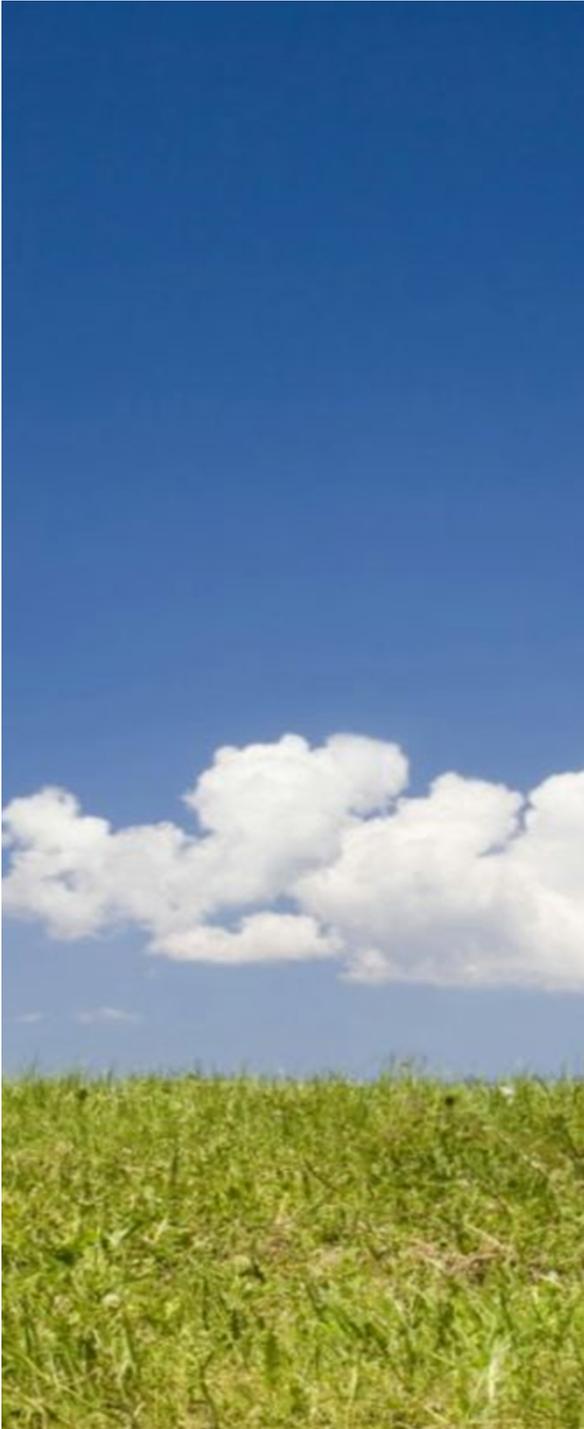
% Likely to increase spend in next 12 months	Entertainment	Grocery Spend	Consumer Goods/ Services	Holidays/ Shorter Breaks
Total	22	24	22	23
Gender				
Male	21	21	21	24
Female	23	28	23	23
Age				
18-34	32	36	29	32
35-44	20	22	18	20
45-64	16	19	18	17
65+	15	18	20	21
Social Class				
ABC1	22	26	21	20
C2DE	22	25	23	26



Summary...



- Expectation for how the Irish economy will fare over the next 6 months shows signs of improvement again, after being heavily impacted by the last budget.
- The impact that the recession is having on people personally also appears to be improving.
- Optimism also remains regarding our personal situation, with less people expecting to be impacted by the recession personally and more people feeling happier than the same time last year.



Summary...



- Most positively this has led to more people claiming to already be spending more and those likely to increase spending in the future – particularly on entertainment and grocery.
- However, this potential increased spending is most likely to be seen particularly seen among those in younger age groups – and it is those in older age groups who have savings set aside that still need to be persuaded.
- The reticence to spend is being underpinned by uncertainty with the World economy, where concerns continue to grow, fostered by events in Greece.



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 11th wave of the credit crunch tracking – fieldwork was conducted the 20th-22nd June 2011.

