



NEWS RELEASE

May 27th 2010

FINANCIAL WELLBEING INDEX DOWN BY 6 POINTS

May's JGFR Financial Wellbeing Index slumped 6 points to -41 on the month as general election uncertainty weighed on key measures of sentiment. The wellbeing measure is the lowest since last August but compares favourably with -77 a year ago. The recovery in financial wellbeing continues on a 12-month moving average basis – up 2 points to -38 although the curve is flattening out suggesting a longer haul back to the long run average.

Chart: UK Financial Wellbeing January 2001 – May 2010



Source: GfK NOP / European Commission / JGFR

Two measures of wellbeing fell in May – net household saving and personal finances. Spending confidence is unchanged.

The JGFR Misery Index – a combined measure of unemployment and inflation expectations – also fell sharply in May – down 7 points to 107 from 100 and is above its long term average (from January 2001) of 97. It is slightly higher than a year ago (106) as a result in the surge in inflation expectations offsetting a drop in unemployment expectations.

The JGFR Financial Well-Being Index is based on five measures from the GfK NOP consumer confidence survey for The European Commission:

- the net proportion of households currently saving
- the combined measure of personal finances – looking backwards and forwards over 12 months



- the combined spending attitude measures – on the climate for making major purchases and the intention of spending more on major purchases in the next 12 months compared to the previous 12 months

Each month the mood of the consumer is tracked in the UK Consumer Confidence Monitor.

For details of the consumers mood that tracks economic indicators together with spending and saving indicators and which varies across regions and segments - contact info@jgfr.co.uk or ring 0208 944 7510