



## CONSUMER SENTIMENT INDEX, MARCH 2015

The overall Consumer Sentiment Index increased in March to 97.8 from 96.1 in February while the 3-month moving average, which smoothes some of the monthly volatility, continues on an upward trend increasing to 98.3 in March from 95.9 in February.

The Consumer Sentiment Index comprises two sub-indices: an index of consumer expectation that focuses on how consumers view prospects over the next 12 months and an index of current economic conditions, focusing on consumers' views of the present situation. Both indices are up in March and remain substantially higher than the long-run average (Table 1). The 3-month moving average for both indices has also increased in the month to March 2015.

### General Economic Situation

Consumers' expectations regarding the economic outlook remained broadly stable over the course of 2014. In two of the first three months of 2015 the proportion expecting the economic situation to get better in the next 12 months surpassed 60 per cent for the second time in the past 20 years. The only other occasion was in January of this year. Some 62 per cent of consumers now feel more confident about the general economic outlook in the coming year compared to 47 per cent in March 2014. All five components of the Survey increased in the year to March 2015, see Table 1. However, consumers are displaying more uncertainty with regards to unemployment this month. Some 25 per cent view the situation more negatively compared to 15 per cent in February 2015.

Chart 1: Consumer Sentiment Index



Chart 2: Index of Consumer Expectations

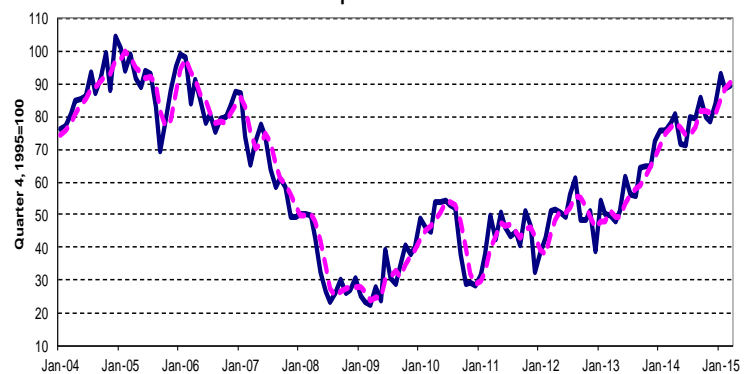


Chart 3: Index of Current Economic Conditions



## Personal Financial Situation

The March data suggest that consumers are more positive about their personal finances compared to 12 months ago. The proportion of consumers that reported improved finances over the past year was 17 per cent, up from 14 per cent in February 2014 and from 9 per cent 12 months previous. The caution observed in February's Index has been reversed in March with 24.4 per cent of consumers feeling positive about their financial situation in the next 12 months. This is the second highest reading since April 2006.

**Table 1: Survey Index Results**

Measure <sup>1</sup>	Long-Run average <sup>2</sup>	Δ month-on-month	Mar 2014	Feb 2015	Mar 2015
Overall Consumer Sentiment Index	67.6	↑1.7	83.1	96.1	97.8
Index of Current Conditions	83.9	↑2.8	90.4	107.2	110.0
Index of Consumer Expectations	56.7	↑1.0	78.1	88.6	89.6
Personal Financial Situation over last 12 months	48.0	↑5.9	54.1	74.2	80.1
Personal Financial Situation over next 12 months	68.5	↑5.5	88.0	100.1	105.6
General Economic Outlook	45.8	↑3.4	63.5	72.8	76.2
Outlook for Unemployment	57.5	↓9.6	88.8	99.2	89.6
Major Purchases	113.6	↑0.2	120.3	134.4	134.6

(1) Index values: Quarter 4, 1995 = 100.

(2) Average value between March 2010 and March 2015.

## Notes

The Index of Consumer Expectations is based on consumers' perceptions of their future financial situation, their economic outlook for the country as a whole and employment expectations. The Index of Current Economic Conditions is based on how consumers feel about their current financial circumstance compared to 12 months ago, as well as their perception of the current buying environment for large household purchases.

The data are obtained from telephone interviews during the first two weeks of the month with around 800 completed questionnaires. The data are re-weighted in line with gender, age and level of educational attainment to ensure the data was fully representative of the national population of adults. Each index is calculated by computing the relative scores (the percent giving favourable replies minus the percent giving unfavourable replies (the balance), plus 100) for each question used in the different indices. Those who reply "Don't Know", "Remain the same" are excluded from the index calculations. Each relative score is rounded to the nearest whole number. The sum of the relative scores is then divided by the base period total for each index. More details on [www.esri.ie](http://www.esri.ie).

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Historic data from February 1996 are available on the ESRI website, [www.esri.ie](http://www.esri.ie) and on the KBC Bank Ireland website, [www.kbc.ie](http://www.kbc.ie). A detailed methodology note outlining how the indices are constructed and the most recent release are also available on the websites.