FOR IMMEDIATE RELEASE

A nation of bookkeepers: Brits more confident in their own finances than the country’s

- Just 40% have confidence in UK economy
- Whereas two thirds are happy with their own personal finances
- 30% of millennials have seen disposable income increase
- Homeowners report to being more optimistic about finances than renters

Whilst just two in five (40%) have confidence in the UK’s finances, a clear majority (66%) feel their own finances are in order; the latest Lloyds Bank Spending Power Report has shown.

Almost half (46%) of people lack confidence in the UK’s current employment situation, yet 81% are comfortable with their own job security. Likewise, 54% report a gloomy outlook on inflation which would normally indicate a potential squeeze on spending, however four in five (80%) report having disposable income after bills and essentials have been paid for.

In fact, over two thirds (69%) of people feel they either have the same amount or more disposable income than they did at the start of 2018. And it is millennials who are most likely to report the increase in spare change, with 30% of those between 18 and 24 experiencing an increase in disposable income since the start of the year (vs 27% of 25-34, 15% of 35-44 and 11% of 45-64).

Robin Bulloch, Managing Director of Lloyds Bank, said:
“During this heightened period of economic uncertainty in the UK, it’s understandable that many will err on the side of caution when considering the future of the country’s finances.”

“Therefore, the optimism and resilience shown by people in their own finances is great to see. This demonstrates that people are really taking control of their finances and effectively managing their money.”

The true cost of living
The resoluteness of Brits in their finances is even more remarkable given increases in essential household spend. Lloyds’ analysis of its own internal data has shown consumers’ essential spend has increased 3% since last July. This has mainly been driven by people spending nearly 3% more on groceries across the same period, and a 10% rise in fuel spend reflecting recent sharp rises in pump prices.
Homeowner optimism vs renter pessimism

Even with these significant increases to household spend, household finances are in good shape with nearly two thirds (63%) confident in their position.

However, a gap between the optimism of buyers and renters is evident. Over half (51%) of homeowners feel positive about the current level of inflation, against just 36% of renters. Homeowners are also more confident with the UK’s employment situation (60% vs 44%), the UK’s financial situation (43% vs 35%) and unsurprisingly the UK’s housing market (49% vs 30%).

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Notes to editors

The Lloyds Bank Spending Power Report is derived from independent consumer research and current account data of Lloyds Bank, Halifax and Bank of Scotland customers. This provides a robust and representative sample of the entire UK market and its essential spending behaviours.

Each month, over 2,000 adult bank account holders are asked about their current and future spending habits and how their commitments affect their spending power. Consumer research is compiled in conjunction with Ipsos MORI: Ipsos MORI interviewed a representative sample of 2070 who hold a bank account aged 18-75 across the United Kingdom. Interviews were conducted online between 4th July – 10th July. Survey data were weighted to the known population proportions of this audience. People or people’s refers to people surveyed as per Editor’s notes.

Research previously conducted by TNS during January 2011 - December 2014 (Feb 2011 Base: 2001). Jan 2015 –August 2018 research conducted by Ipsos MORI.

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