

## Consumer sentiment : Budget reaction

### Vast majority of population see no improvement to their financial well-being from the 2007 Budget

Despite a headline catching income tax cut from 22p to 20p only 19% of the adult population\* felt that this year's budget will improve their financial well-being.

Regionally only in the East Midlands did a significantly higher proportion of people (26%) feel this to be the case.

In the North West (15%) and in the South West and Scotland (16%) fewer people than average felt the Budget would improve their financial situation. With local elections due in May and the Government behind in most polls, the lukewarm response to the Budget suggests little electoral benefit will be gained.

Among younger age groups, more people feel the Budget will improve their financial well-being – 27% of 23-29 year olds and 22% of 30-39 year olds – many of these will be households with children. Among this group 24% feel they will be better off – no doubt as a result of improvements to child benefits.

By work status, only among full-time workers do more people than average feel the Budget will improve their financial well-being (22%). Least impressed are students (11%) who are struggling more under this Government as a result of the rising cost of being a student .

Commented John Gilbert “ The 2007 Budget will be remembered as the final Budget of Gordon Brown as Chancellor of the Exchequer. His legacy over the past decade has been a far more prosperous and economically more stable nation. His detractors will focus on his first Budget and the abolition of pension tax credits.

Economics however is not enough. Consumer confidence has evaporated since the 2005 general election to be replaced by a continuing feeling of gloom. The response to the final budget is likely to see consumer confidence fall to its lowest April measure since 1996. Inspirational leadership and a feeling of a new beginning is what consumers need.”

\* A sample of 1,000 adults aged 16+ , representative of the UK population, were interviewed by GfK NOP between 23<sup>rd</sup>-25<sup>th</sup> March 2007 for JGFR.