

New Study Shows Drop In Consumer Confidence

Britain's financial optimism has plummeted, according to a recent set of figures.

May 1, 2008 (FPRC) -- GfK NOP's latest consumer confidence index revealed a drop of five points with regard to the country's outlook on the current monetary climate to stand at -24. Such a figure is the lowest recorded since November 1992. Furthermore the current overall level of economic optimism was shown to be down by 18 points from the same period this time last year, with decreases noted across all five of the firm's measures which make up the index.

GfK NOP's index tracking the nation's thoughts about the state of their finances was shown to have fallen by four points to stand at -8 - the lowest level recorded for more than 11 years. In addition, consumer predictions about their personal finance situation over the next 12 months have fallen by four points to stand at zero. Meanwhile, the index judging whether consumers think it is a good time to make major purchases dropped by three points to stand at -24. Such a figure is the lowest recorded since November 1990 and represents a fall of 30 points from last year.

Furthermore, the index charting the public's thoughts on the general economic state of Britain over the past year has dropped to -53, with predictions about how it will fare during the next 12 months falling six points to stand at -38.

With consumers having such major financial concerns, it may be the case that significant numbers of Britons are struggling to manage the various demands on their spending. Such areas could well include utility bills, loan and mortgage repayments, transport costs and credit cards.

Commenting on the research, Rachael Joy, a member of GfK NOP's consumer confidence team, said: "Consumer confidence is at its lowest since level since November 1992. This month's drop has been mainly driven by dropping confidence in the general economy over the last 12 months. With the news dominated by stories of recession, the credit crunch, housing market falls and future petrol and food price increases, it will take more than a quarter point reduction in interest rates to alleviate the current gloomy mood of the UK consumer."

However Britons are not entirely negative when it comes to thoughts about how they will manage their money. In fact, many appear to be taking steps to prepare for later life, as the firm's savings index - which judges whether people think that now is a good time to set cash aside for the future - increased. Up by three points from last month's figures to stand at +28, the index is now at the same level as it was in April 2007.

Consumers who have grave concerns about their ability to manage their finances as 2008 progresses might wish to consider taking out a debt consolidation loan. In selecting this type of loan, borrowers could find that they are able to allay various monetary fears and merge constraints on their spending into affordable monthly repayments. A debt consolidation loan might be of particular assistance to the former young urban professionals of the 1980s. Research carried out by LV= indicated that 45 per cent of the yuppies of two decades ago - who are now in their late 40s and early 50s - claim to be struggling to live within their means.

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