

The Public Opinion Monitor

2012 in Review



The final public opinion monitor of 2012 looks back at key trends over the last year.

There appears to be a cautious form of optimism emerging with the majority of people saying that the economic situation has stabilised rather than improved, suggesting many are braced for a period of economic stagnation rather than recovery. There was also an increase in the number of people who believe the economy will perform better over the next year, though such optimists are still very much a minority.

Given that economic issues continue to top most people's list of policy priorities, the government will be nervous that nearly half think their economic management over the last year has been poor. This may go some way to explaining the poor poll performance of the two coalition parties.

A level of caution is reflected in people's attitude towards their personal finances, which have failed to improve at the same rate as optimism regarding the economy overall. Around half of people still say they are finding it harder to cope than they did 12 months ago, suggesting that any economic improvements there may have been are still not being felt by most people.

Finally we asked a series of questions about personal finances in the run up to Christmas and found sizeable numbers of people saying that financial pressures mean they are less likely to enjoy the festive season; an attitude that was especially prevalent amongst parents, suggesting the added pressure of gift giving is an unwelcome addition to already stretched household budgets.

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Voting intentions in 2012



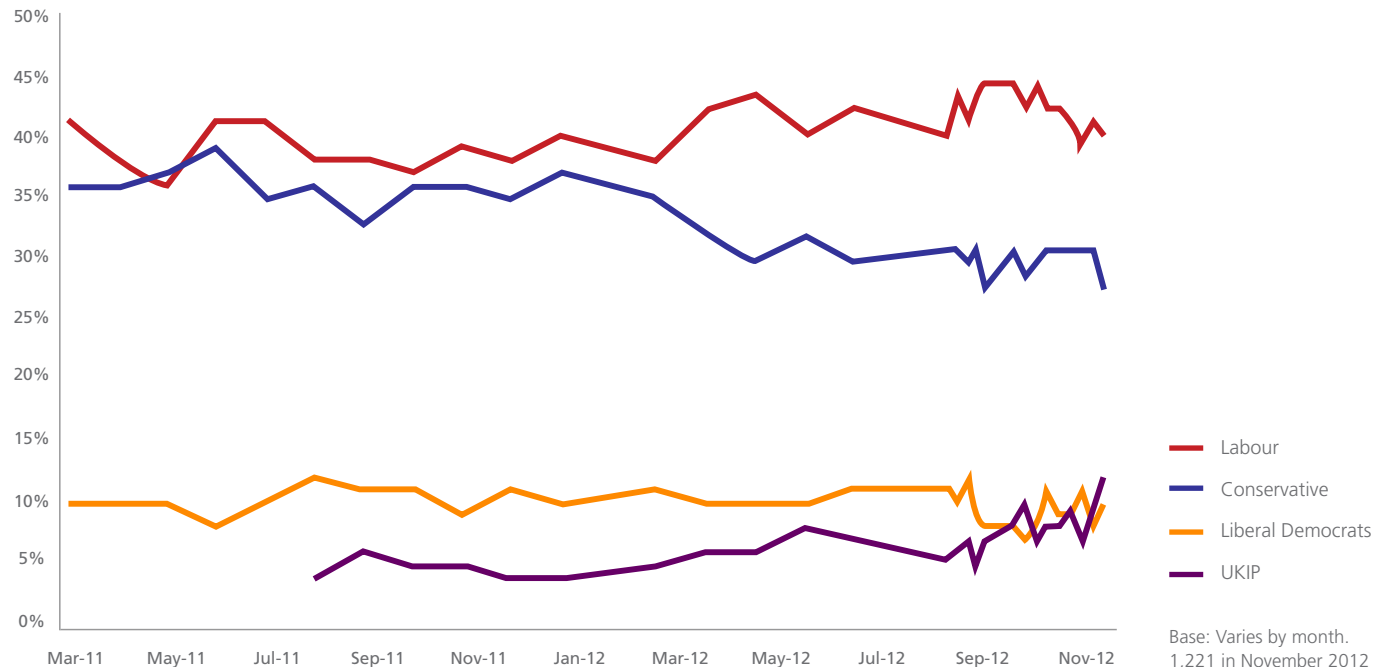
Labour has enjoyed a successful year in the polls. In January their lead stood at just 3 points however, following the controversial budget in March, they opened a 10 point gap which extended to 16 points just before the start of the party conference season. In the last two months Labour's lead has stabilised at around 10 points.

The coalition parties on the other hand have had a tougher year in the polls. Support for the conservatives has fallen from 37% in January to 31% in the last few months. The Liberal Democrats have also fared badly, with support falling to 7% in October.

It is likely that UKIP has profited from the coalition's woes as support for the party has risen from 4% in January to 12% in December, putting them ahead of the Liberal Democrats for the first time.

As we head in to 2013 Labour and UKIP will look to build on their successes this year. The coalition parties meanwhile will try to regain vital momentum midway through the electoral cycle.

Q If a general election were to be held tomorrow which party, if any, would you vote for?



Policy Priorities

Improving the economy remains the top priority for the majority of people.

Respondents were shown a list of 9 policy areas and asked to rank them in terms of importance. Overall, the need to reduce unemployment ranked as the top concern, followed closely by the need to generate more economic growth.

Reducing the national debt ranked fourth, suggesting patience in the government's policy of economic recovery through austerity may be wearing thin and that people want to see growth, even if that prevents the national debt being reduced.

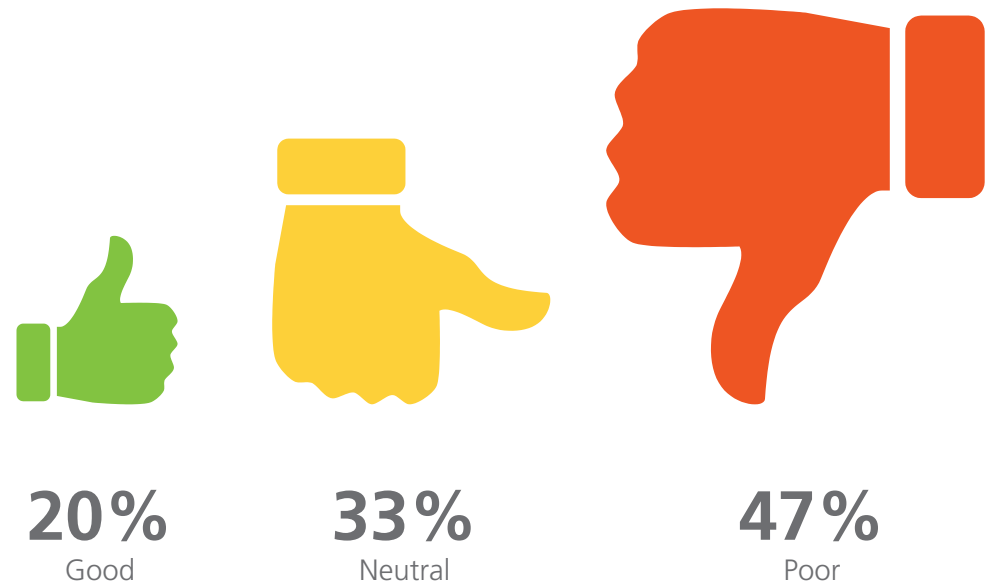
Rank	Policy	Index Score
1	Reducing unemployment	62
2	Generating economic growth	60
3	Investing more in health care	52
4	Reducing the national debt	48
5	Stricter border controls to reduce immigration	48
6	Improving the future opportunities of our young people through better education	48
7	Reducing crime	48
8	Reducing income inequality between the richest and the poorest	43
9	Investing more in social care for the elderly	41

There does appear to be a continued appetite for spending more on services, most notably health, but less enthusiasm for investment in social care for the elderly, which ranked lowest on the scale, beneath steps to reduce inequality and crime.

Given the emphasis the public are placing on the economy it will be worrying for the government that only a fifth of people rate their economic management over the last year as 'good', whilst nearly half (47%) say it has been poor.

Q How would you rate the government's management of the economy over the last 12 months?

Assessment of the government's economic manage



Base: All respondents (1,221)

The economy – for better or worse

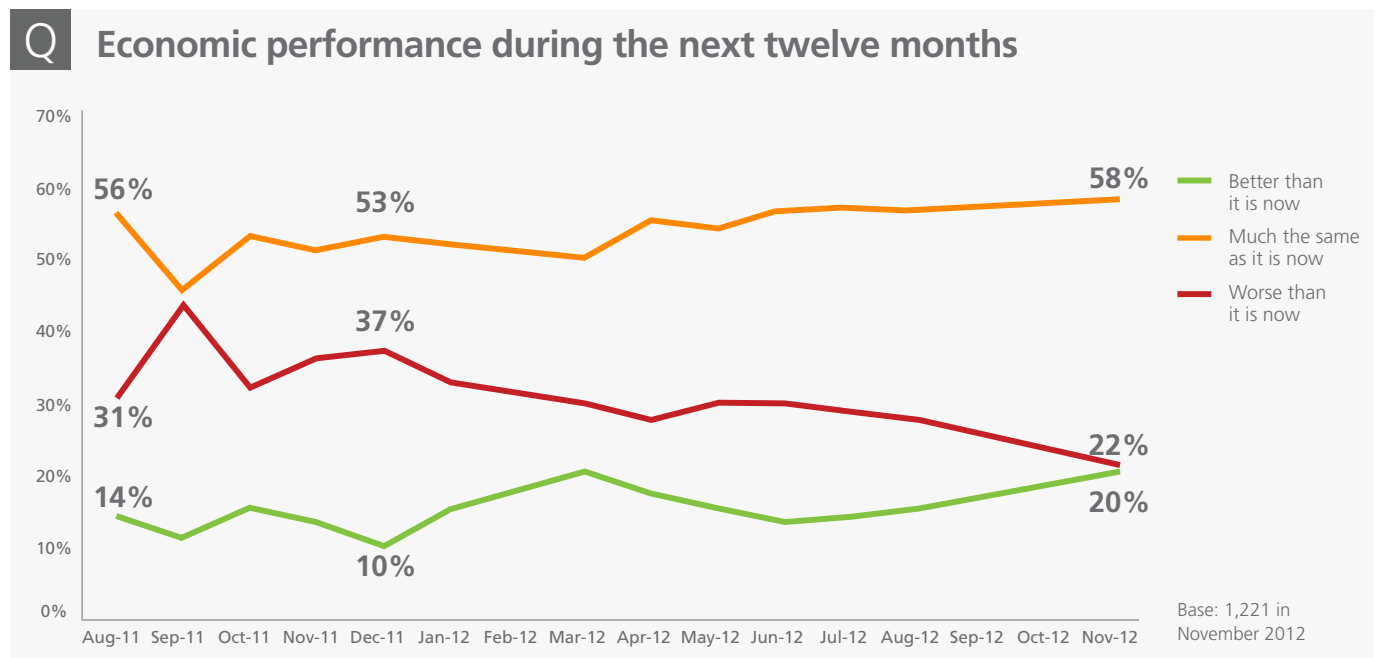
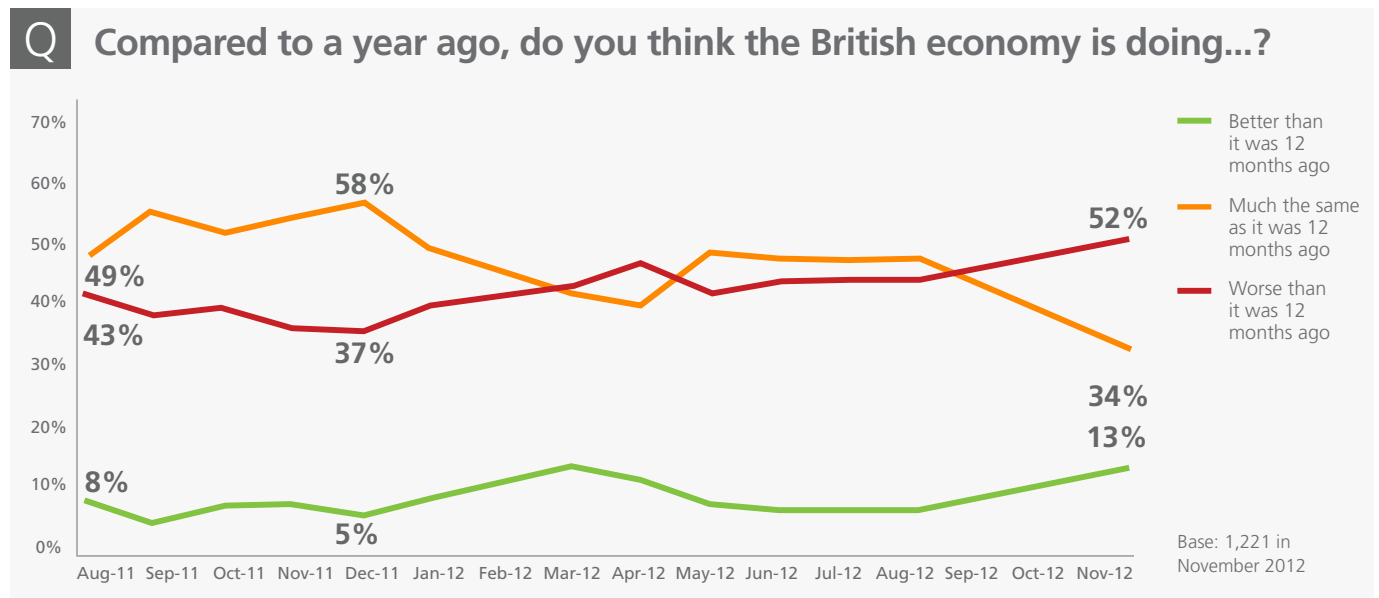
Despite misgivings about the government's economic management there has been a significant upturn in public attitudes towards the economy over the last 12 months.

In December 2011, 58% of people thought the economy was in a worse condition than it was 12 months earlier, whilst only one in twenty (5%) thought it was improving. Fast forward a year and the proportion who thought the economy is still deteriorating has fallen to 34%, whilst the number saying it has improved has more than doubled to 13%.

A majority of people (52%) still feel the economy has neither worsened nor improved over the last year, suggesting that though a corner may have been turned and the economic situation stabilised, the country is still a way off a full recovery.

Looking to the future, 20% believe the economy will be doing better in twelve months time; double the proportion who said the same in December 2011 (10%). Over the same period the proportion saying they expect the economy to worsen further has fallen from 37% to 22%.

Reinforcing a prevailing sense that the worst may be behind but a recovery is not on the immediate horizon, 58% still expect the economy not to improve over the next year.



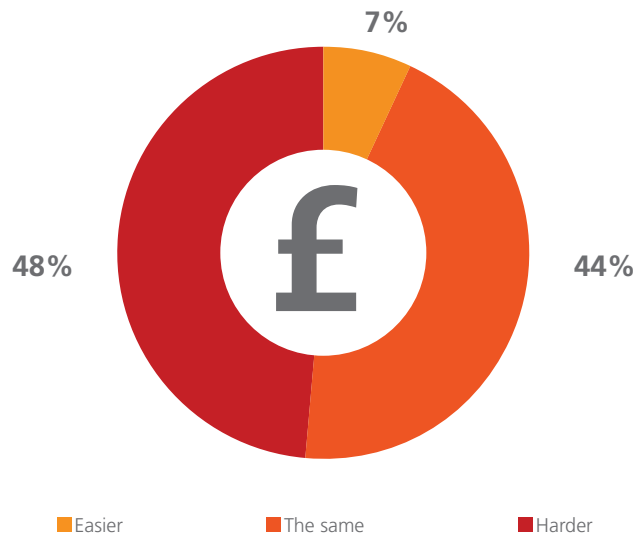
Personal Finances

Although attitudes towards the economy have improved over the last 12 months, this is yet to translate into a significant improvement in how individuals view their own financial situation.

Asked about their ability to meet their household budget, 48% said they are finding it harder than they did a year ago. This is a slight drop from December 2011 when 55% of people were finding it harder, but it is not comparable with the improvement in general economic sentiment.

The proportion finding it easier to meet their budget has barely changed over the last year, suggesting very few people feel their financial position is improving.

Q Easier to manage household budget



Base: All respondents (1,221)

Similarly, there has been little shift in what people say they would do if they received a significant increase in their income. Currently, 39% say they would use any extra cash to reduce their debts, 34% would increase savings or pensions and 27% would spend it, which is almost identical to what was reported in November 2011.

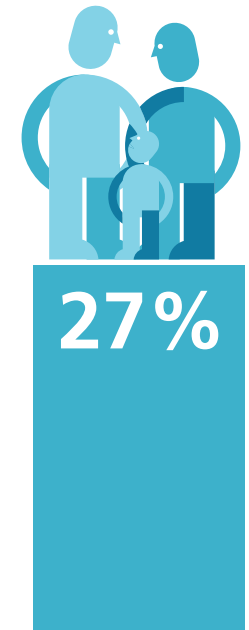
Q Spending priorities for November 2012



Use it to pay off debts



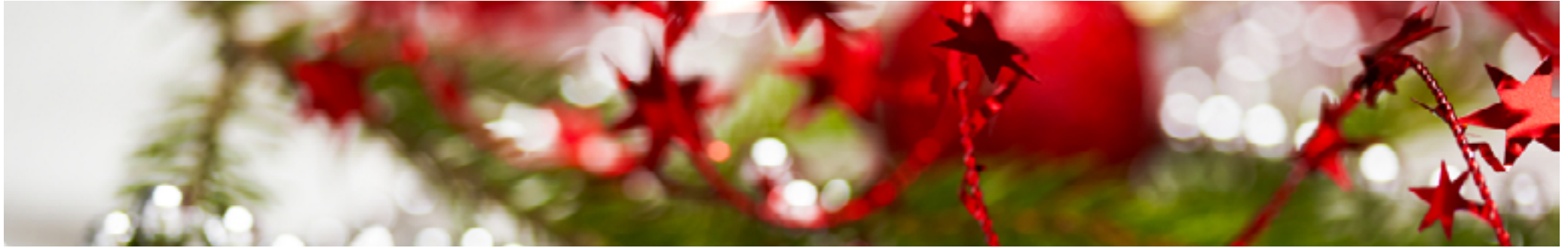
Use it to increase savings or pensions



Spend it on things for yourself or family

Base: All respondents (1,221)

Christmas in Austerity



Christmas can be a time when already stretched household finances are put under even greater strain.

Whilst 70% of people agree that Christmas should be a time when they can forget about financial worries and enjoy being with family and friends, over a third (36%) reported that their current financial situation means Christmas will be more stressful than in previous years, and that they feel under pressure to spend more than they can really afford (34%).

Unsurprisingly, parents are feeling significantly more pressure in the festive season than their childless counterparts. Just under half (45%) of people with children said their finances make Christmas more stressful than in previous years, compared to 32% of childless respondents.

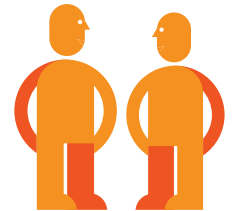
At the same time just under a third (29%) said they would need to borrow money in order to pay for it, compared to just 13% of childless respondents. Parents were also less likely to say that they would be able to enjoy Christmas without worrying about money (35% vs. 43%).



Proportion who 'agree' with the following statements:



Parents



Non-parents

My current financial situation means that I find Christmas more stressful than in previous years

45%

32%

I will need to borrow money to help cover the expense of Christmas this year

29%

13%

I feel under pressure to spend more than I can really afford at Christmas

46%

29%