

**FOR IMMEDIATE RELEASE**

**4 December, 2012**

**UK households more optimistic about their finances and government's handling of the economy**

A majority (60%) of UK households think that their personal finances will either improve or stay the same over the next 12 months, according to YouGov's UK Household Economic Activity Tracker (HEAT). Ahead of Chancellor George Osborne's Autumn Statement, the tracker also reveals that there has been a steady improvement in confidence in the government's handling of the economy.

HEAT's monthly index score tracking confidence in government's handling of the economy stood at 74.8, a 10-point improvement over this time last year, suggesting the loss of confidence in the government is starting to ease. The index is a scale of 0 to 200, in which 0 indicates entirely negative sentiment and 200 entirely positive sentiment.

While household finances have been on an improving trend since the middle of last year, this month's survey shows that households are also more positive about the future. 60% of respondents think that their situation will improve or stay the same over the next twelve months – the greatest proportion since mid-2010. Also, the proportion of respondents who expect the wider economy to improve has also steadily risen since the summer, with over a third (36%) of households expecting an economic recovery (see chart).

"While in the main the public are still fairly negative about the economy and the government's handling of it, George Osborne can take some comfort in the fact that this negative sentiment seems to be abating with optimism creeping in. We are now at the midway point in the life of this government and after more than two-years of some gloom people are going to be looking for relief. The challenge for the chancellor will be to show that this Autumn Statement is going to positively impact ordinary households," said YouGov Director of Political and Social Research Joe Twyman.

Also commenting on the results, ASR Chief European Economist Dominic White said:

"I suspect the reason people are becoming more confident in the government's economic management is because they are looking at their own financial situation and seeing a modest improvement. The wider macroeconomic situation is still fraught with uncertainty, but it should be encouraging to the government that people are heading into 2013 feeling better about things than they did heading into 2012."

The overall HEAT index increased to 95.8 from 94.1 in November, as concerns about the state of household finances abated.

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For further information about the YouGov Household Economic Activity Tracker (HEAT) visit:

<http://research.yougov.co.uk/services/household-economic-activity-tracker/>

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YouGov is considered a pioneer of online market research and has a panel of 2.5 million people worldwide, including over 350,000 people in the UK representing all ages, socio-economic groups and other demographic types.

As the most quoted market research agency in the UK, YouGov has a well-documented and published track record illustrating the accuracy of its survey methods.

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