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**July 15, 2010**

## **Standard Life's Financial Confidence Index dips**

In Standard Life's most recent quarterly survey of more than 1,000 adults measured in June 2010, the overall index fell slightly from 53.3% to 53.1% from the previous quarter.

"Despite official reports that the recession is 'technically' over, it's interesting to note that the trend in financial confidence is still downwards," said Brendan Barr, head of marketing at Standard Life.

Standard Life's quarterly index hit an all-time high of 66.7% in March 2008 and it has fallen steadily since – with one exception in December 2009 when it bounced from 52.6% to 54.6%.

The female financial confidence score at 51.3% is well below the average male score of 54.9% and brought down the overall average score to 53.1%. Those living in the capital remain the most financially secure regional group with a score of 56.6% up from 55.5% in April. Adults over 65 remain the most financially secure age group with an average score of 63.7%.

"One of the disappointing survey results is the low confidence scores prevalent amongst younger respondents," said Barr. Those aged between 25 and 34 are the least secure with an average score of 48.4%. Those between 18 and 24 years of age experienced the largest decline in confidence falling from 53.6% to 49.8%.

### **Sentiment towards Irish buy-to-let property bounces**

While financial confidence has decreased, respondents sentiment towards purchasing Irish buy-to-let property has picked up in the past quarter. Sentiment has increased for the third quarter in a row to 30% following a low reached in December 2008. See table. Almost a third of respondents think now is a good time to purchase an Irish buy-to-let property compared to the low of 21% reached in December 2008. (Sentiment hit a high of 42% in June 2007.)

<b>Good or Very Good time to invest in:</b>	<b>Jun 2010</b>	<b>Apr 2010</b>	<b>3mth Change</b>	<b>Jun 2009</b>	<b>12mth Change</b>
Regular Savings Investment account	51%	51%	0%	50%	1%
Commodities	48%	48%	0%	40%	8%
Deposit account	36%	35%	1%	36%	0%
Capital guaranteed/tracker products	33%	32%	1%	29%	4%
A holiday home	32%	29%	3%	32%	0%
Irish buy-to-let property	30%	26%	4%	22%	8%
Shares	28%	25%	3%	33%	-5%
Overseas buy-to-let property	18%	16%	2%	17%	1%

“Given the ongoing adverse publicity surrounding NAMA and its property portfolio it’s perhaps surprising that domestic **buy-to-let** property is not viewed more negatively. However, prices have fallen significantly from their peak so perhaps some investors are beginning to seek value,” said Barr.

This is in stark contrast to respondent’s sentiment towards overseas buy-to-let property which is barely up year on year, scoring 17% in June 2009 and 18% in June 2010. See table above.

### Notes for Editors

- Dublin refers to Dublin city and county. Rest of Leinster refers to Leinster excluding Dublin. Connaught/Ulster refers to Connaught plus Donegal, Cavan and Monaghan.
- These results are based on an independent online survey conducted by Research Plus Ltd on behalf of Standard Life Ireland. 1,013 adults aged 18 and over, in the Republic of Ireland, were surveyed between 22<sup>nd</sup> to 29<sup>th</sup> June 2010.

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## Notes for Editors

Standard Life Financial Confidence Index*	Jun 2010	Apr 2010	3mth Change	Jun 2009	12mth Change
Republic of Ireland Adults 18+	53.1	53.3	-0.2	52.9	0.2
Male	54.9	54.7	0.2	54.9	0.0
Female	51.3	52.0	-0.7	51.0	0.3
18-24	49.8	53.6	-3.8	50.7	-0.9
25-34	48.4	50.1	-1.7	50.1	-1.7
35-44	50.8	49.7	1.1	47.6	3.2
45-54	51.3	51.7	-0.4	53.5	-2.2
55-64	58.7	54.5	4.2	54.1	4.6
65+	63.7	63.8	-0.1	64.6	-0.9
Dublin	56.6	55.5	1.1	54.0	2.6
Rest of Leinster	49.5	52.0	-2.5	51.7	-2.2
Munster	53.5	53.3	0.2	53.0	0.5
Connaught/Ulster	51.7	51.9	-0.2	52.8	-1.1
Retired	63.0	62.6	0.4	64.8	-1.8
Non-retired	51.5	51.7	-0.2	51.1	0.4
Working	53.8	53.3	0.5	52.8	1.0
Non-working & Non-retired	46.6	47.8	-1.2	46.1	0.5

\*The Standard Life Financial Confidence Index is a measure of how financially secure people feel on a scale of 1 to 10. The results are averaged and then converted to give a total score on a percentile basis.

**Ends**