

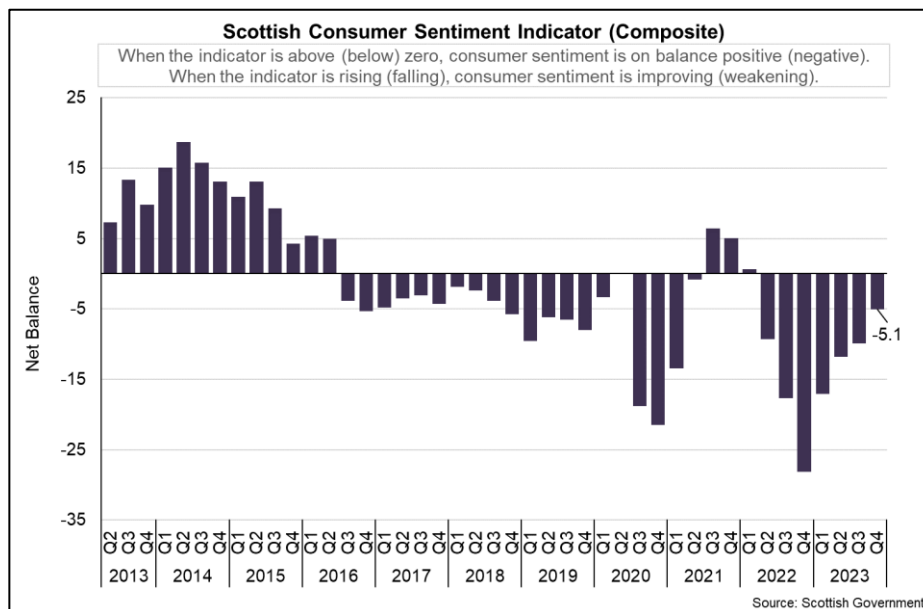
Scottish Consumer Sentiment Indicator

Quarter 4 2023

31 January 2024

Main Findings

In Q4 2023, the Scottish Consumer Sentiment Indicator stood at -5.1 and increased by 4.8 points over the quarter and 23 points over the year indicating a steady improvement in sentiment. However it remains weaker than the series average reflecting the challenging economic and financial conditions facing households.



Important information about this release

The Scottish Consumer Sentiment Indicator is a composite measure of consumer sentiment in Scotland based on a quarterly survey of households' current sentiment and future expectations of: Scottish economic performance, security of households' financial position, and attitudes to spending money. Excel tables of the results are available online alongside the publication, and include a monthly breakdown of the results.

The Scottish Consumer Sentiment Indicator is an Official Statistics in Development release. It remains in development and we welcome views on the content, style and presentation.

The latest survey for Q4 2023 was conducted online between 1 October and 31 December 2023, with a total sample size of 3,031 adults. The indicator represents the balance of respondents who report that consumer sentiment is positive/negative.

Results Breakdown

Composite Indicator

In Q4 2023, the composite Consumer Sentiment Indicator was -5.1 and increased by 4.8 points compared to Q3 2023, indicating that consumer sentiment improved over the quarter. All five sub-indicators of sentiment, covering the economy, household finances and attitude to spending, increased over the quarter. Expected economic performance for the coming year remains the only indicator with a positive score (10.6), while the attitude to spending indicator remains the most negative indicator (-19.9).

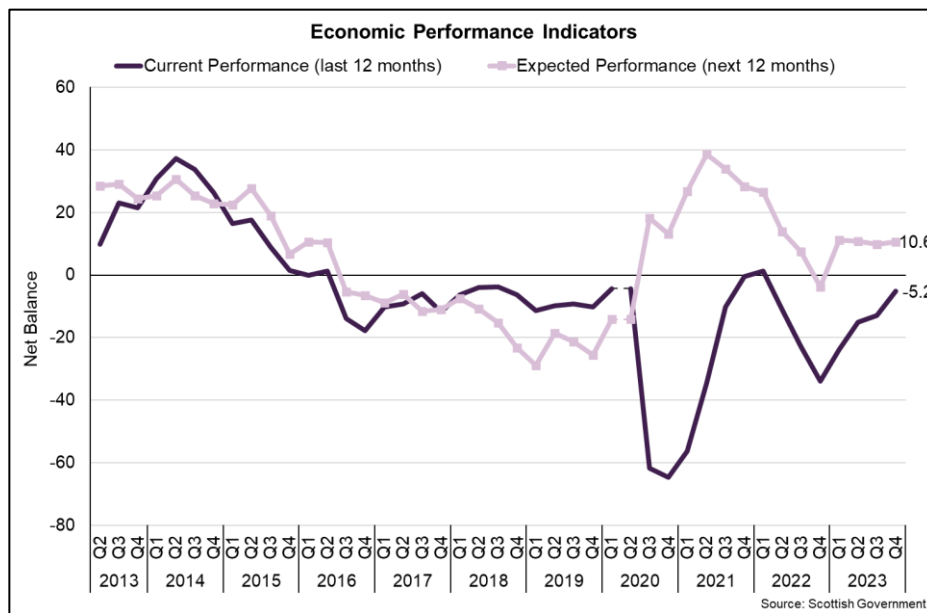
Results	Net Balances		Change between Q3 2023 and Q4 2023
	Latest Quarter (Q4 2023)	Previous Quarter (Q3 2023)	
Consumer Sentiment composite indicator	-5.1	-9.9	4.8
Current indicators			
(a) Economy performance	-5.2	-12.9	7.7
(c) Households' finances	-10.5	-14.7	4.1
(e) Attitude to spending	-19.9	-27.5	7.6
Expectation indicators			
(b) Economy performance - next 12 months	10.6	9.8	0.8
(d) Households' finances - next 12 months	-0.3	-4.1	3.8
<small>Note: The consumer sentiment indicator score is the average of the net balances for each question topic. The net balance is the difference between the percentage of respondents reporting an improvement and those reporting a weakening. Scores are subject to rounding therefore differences in scores over the quarter may not sum.</small>			

Economic Performance

The Economic Performance indicators reflect how respondents consider Scotland's economy is currently performing relative to 12 months earlier and how they expect it will be performing in 12 months' time relative to current performance.

The indicator for Scotland's current economic performance in Q4 2023 is -5.2, meaning that the balance of respondents consider the economy is performing worse than 12 months ago. The indicator has strengthened however, increasing

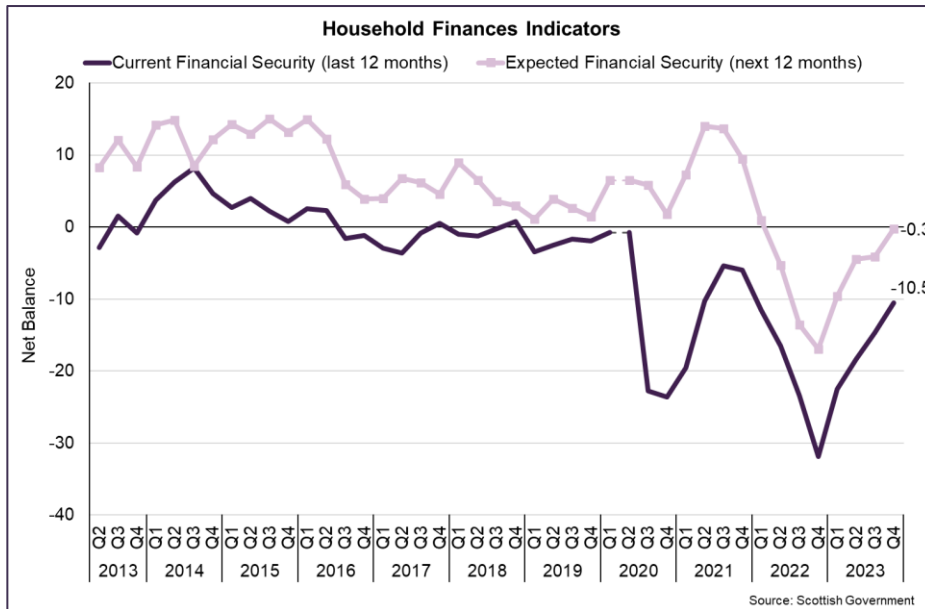
by 7.7 points over the quarter and is 28.8 points higher than the same quarter last year.



The indicator for Scotland’s expected economic performance is 10.6, remaining in positive territory, and meaning that the balance of respondents expect economic performance to be better in 12 months’ time. The indicator increased by 0.8 points over the quarter and is 14.4 points higher than in Q4 2022 indicating that sentiment regarding the economic outlook has strengthened compared to the final quarter of 2022.

Household Finances

The Household Finances indicators reflect how secure respondents consider their current household financial position to be relative to 12 months earlier and how secure they expect it to be in 12 months’ time relative to its current position.

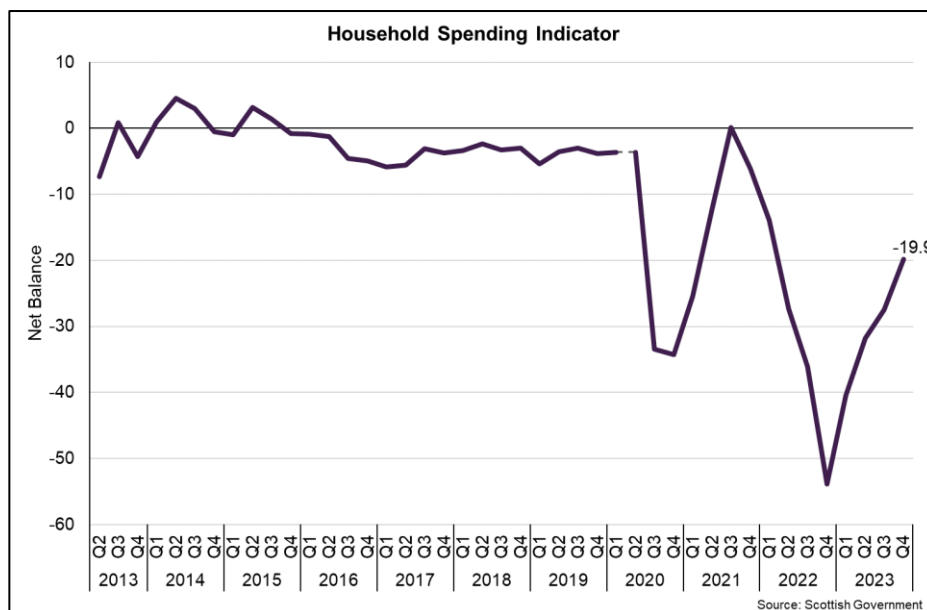


The indicator for current security of households’ financial position is -10.5 in Q4 2023 implying that the balance of respondents consider their current household financial security to be in a worse position than 12 months ago. The indicator increased by 4.1 points over the quarter and is 21.3 points higher than in Q4 2022 indicating an improvement in household sentiment regarding their financial security over the past year.

The indicator for expected security of households’ financial position in Q4 2023 was -0.3, implying that the balance of respondents expect their household financial security to be worse in 12 months’ time. The indicator increased by 3.8 points over the quarter and is 16.7 points higher than in Q4 2022 indicating an improvement in household sentiment regarding their expected financial security over the next year.

Household Spending

The Household Spending indicator reflects how relaxed respondents currently feel about spending money relative to 12 months earlier.



The indicator for household attitude to spending was -19.9 in Q4 2023 reflecting that the balance of respondents are less relaxed about spending money than 12 months ago. The indicator increased by 7.6 points over the quarter, and is 34 points higher than in Q4 2022 indicating that while sentiment remains weak, it has significantly improved.

Data and Methodology

The Scottish Consumer Sentiment Indicator has been compiled quarterly since Q2 2013, initially based on a face-to-face survey of approximately 2,250 adults in Scotland. As a result of the coronavirus pandemic, the consumer sentiment survey was paused in March 2020 and restarted as an online survey in June 2020 with a quarterly sample of c. 3,000 adults in Scotland.¹

The survey asks respondents questions to ascertain whether sentiment has improved, declined or remained unchanged across 5 indicators:

- Current Scottish economic performance over the past 12 months;
- Expected Scottish economic performance over the next 12 months;
- Current security of households' financial position over the past 12 months;
- Expected security of households' financial position over the next 12 months;
- Current attitude to spending money over the past 12 months.

¹ Due to the coronavirus pandemic, data were not collected in the last two weeks of March 2020 and in April and May 2020. Therefore there are no results for Q2 2020 as a whole and in Q1 2020 results are based on 2,129 adults instead of 2,250.

Indicator scores for each question are presented in the form of net balances. The net balances are calculated by subtracting the percentage of respondents that report a decline in sentiment from the percentage of respondents that report an improvement in sentiment, excluding respondents that report unchanged sentiment. In each quarter this shows whether the balance of responses is positive, negative or balanced. From this, the composite Consumer Sentiment Indicator score is derived as the average of the net balances for each of the five indicators.

On a quarterly basis, the distribution of responses to questions and the net balances provide a snapshot of consumer sentiment. The change in net balances between time periods can also show whether sentiment is improving or weakening. Taken together, the latest net balance scores, and the change compared to previous periods, provide an early signal of potential changes in household spending, a key component of Scottish GDP.

This publication is currently classed as Official Statistics in Development. Official statistics in development may be new or existing statistics, and will be tested with users, in line with the standards of trustworthiness, quality, and value in the Code of Practice for Statistics. These statistics are currently being developed and have been published to involve users and stakeholders in their development, and to build in quality and understanding.

Background Information

The following supporting documents have been published:

- Excel tables of results, including monthly data.

The Scottish Consumer Sentiment Indicator also features in the Monthly Economic Bulletin and the Chief Economist's Scottish Economic Insights report. Links to the latest versions of these publications can be found and accessed at: [Economic briefs and bulletins - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/economic-briefs-and-bulletins/)

The next quarterly publication of the Scottish Consumer Sentiment Indicator is due in April 2024.

Feedback and Contact Information

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How to access background or source data

Data may be made available on request, subject to consideration of legal and ethical factors. Please contact economic.statistics@gov.scot for further information.

Complaints and Suggestions

If you are not satisfied with our service or have any comments or suggestions, please email the Chief Statistician at: statistics.inquiries@gov.scot

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