

# BRC Consumer Sentiment Monitor

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July 2024

An analysis of UK consumer sentiment based on financial status,  
shopping behaviours and attitudes





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# Headline commentary

## Consumer Sentiment Monitor – July 2024



**Dr Kris Hamer, Director of Insight | British Retail Consortium**

“Following a dip in consumer optimism towards the UK economy in June, the latest results reveal a strong uplift in July, with a 9 percentage points increase in consumers expecting the economy to improve over the next few months. Pessimistic responses decreased across all generations, particularly among the Gen X group. There was also a more favourable outlook towards personal finances this month, with a 3 percentage points increase in consumers expecting an improvement over the next three months.

Consumer spending plans over the next three months saw little change overall, with those expecting to spend more dropping slightly from the previous month. However, Gen Z consumers showed a strong increase, with almost half planning to spend more, overtaking Millennials. Saving expectations improved due to fewer consumers expecting to save less than the previous month. Among those planning to reduce spending, top strategies include buying fewer items and cutting down on leisure activities.

This month, we also surveyed parents about financial pressures during the school holidays and found that 40% expect increased financial strain, mainly due to higher grocery bills and spending on days out with their children.

The resurgence in consumer optimism in July is a positive sign for the UK economy, reflecting growing confidence. This suggests that consumers are becoming more resilient and hopeful about the future, which could boost economic activity. Retailers that stay adaptable and responsive to these changing consumer behaviours will maximise opportunities and drive customer loyalty.”

# Executive Summary

## Consumer Sentiment Monitor – July 2024

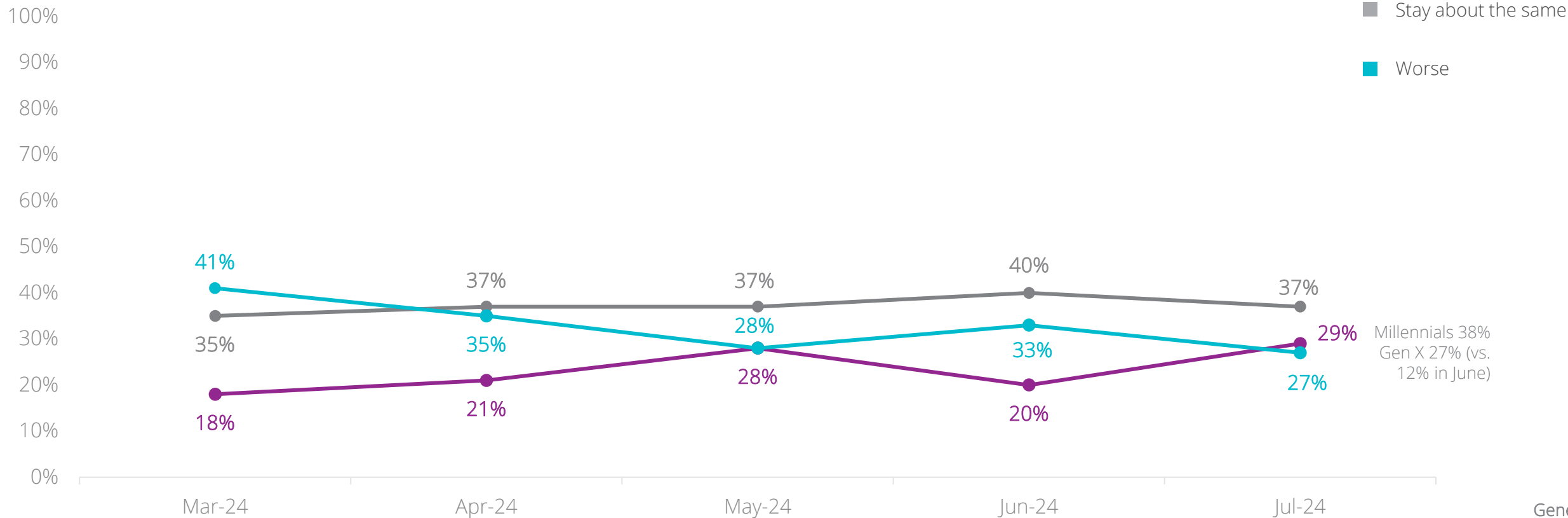
A Survey of 2,000 UK consumers weighted to be Nationally Representative. Consumers are surveyed monthly about their financial status, shopping behaviours, and other topical issues.

- Positivity towards the future of the UK economy shows a strong uplift in July, with optimistic responses (things will get *better*) increasing by 9 percentage points, and pessimistic responses (things will get *worse*) reducing by 6 percentage points. This is reported across all generations, particularly amongst Gen X.
- Financial situations remain consistent since June with two fifths (40%) reporting being comfortable, a further two fifths (40%) are coping, and one fifth (19%) are struggling. Greater positivity towards the economy is also reflected in more favourable outlooks towards personal finances, with a 3 percentage points increase in consumers expecting improvement over the next three months. Gen Z in particular show a notable increase in optimism.
- Overall debt levels dipped slightly to 48% this month (-2%). Millennials continue to be the most likely group to have debt, but this has dropped to 62% (-3%). Expectations to borrow remain consistent with June, yet there is a slight increase in borrowing more (14%, +2%). Gen Zs reveal a noticeable increase, causing them to overtake Millennials as the biggest borrowers this month (28%, +12%).
- Spending plans over the next three months stayed largely the same. Overall plans to spend more dropped slightly to 25% (-2%), however Gen Zs experienced a strong increase and overtook Millennials as nearly half plan to spend more (43%, +8%).
- Expectations to save improved this month as there is a decrease in the number of those expecting to save less (21%, -5%). Gen Zs signal another improvement in personal financial health as they pulled ahead of Millennials as the most likely group expecting to save more (39%, +9%).
- Similar to previous months, buying cheaper products, reducing leisure spend and purchasing less items overall are top ways to reduce outgoings for those looking to do so. However, noticeably less are prepared to compromise on leisure (48%, -12%) and holiday (26%, -10%) spend as we enter the summer months.
- Non-essential spending priorities remain as dining out (36%), travelling for leisure (35%) and home improvements (25%), although going out to bars (23%, +2%) and electronics and gadgets (18%, +3%) experienced small uplifts since June.
- Since breaking up from school holidays, two fifths (40%) of parents expect more financial pressure, driven by higher spend on days out (66%) and groceries (61%).

# Optimism in the UK economy experiences notable uplift across all generations, particularly amongst Gen X.

Over the next 3 months, do you expect the state of the UK economy to get better or worse?

Total sample



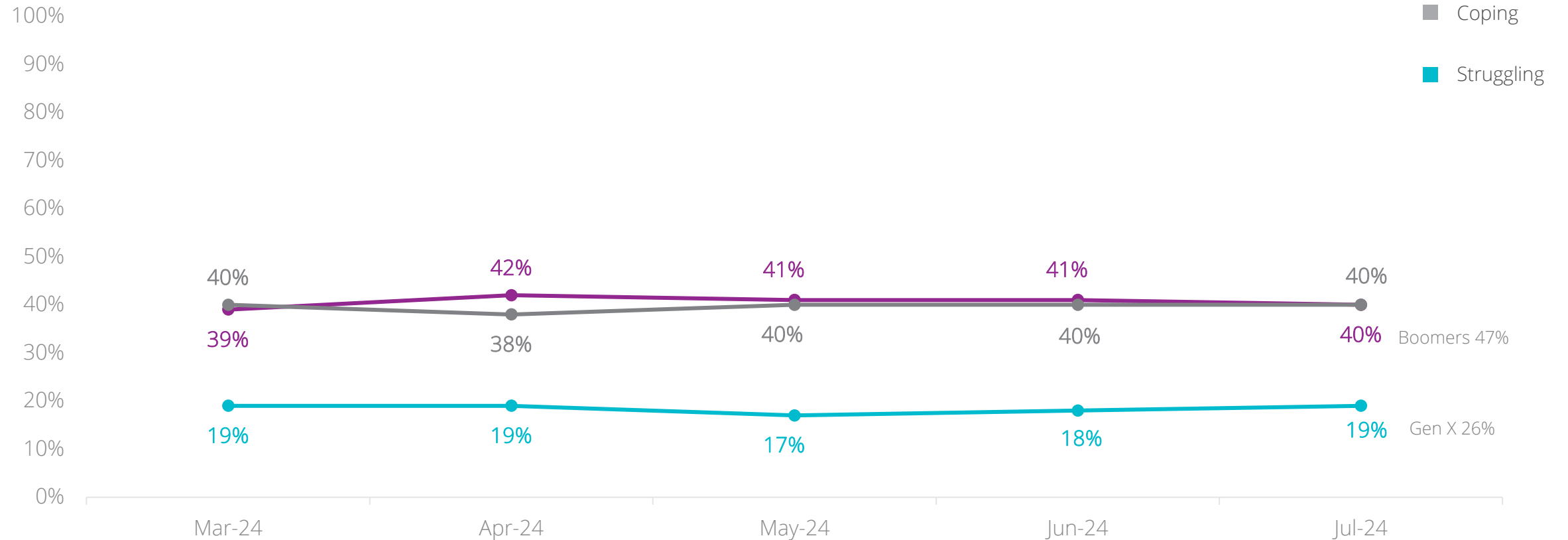
\*Some net figures may be impacted by rounding differences

Q2. Over the next 3 months, do you expect the following to get better or worse? State of the UK economy. Base size (2,000)

# Personal financial situations stay consistent with previous waves. Gen X continue to be the most likely to struggle.

## What is the best way to describe your current financial situation?

Total sample



\*Some net figures may be impacted by rounding differences

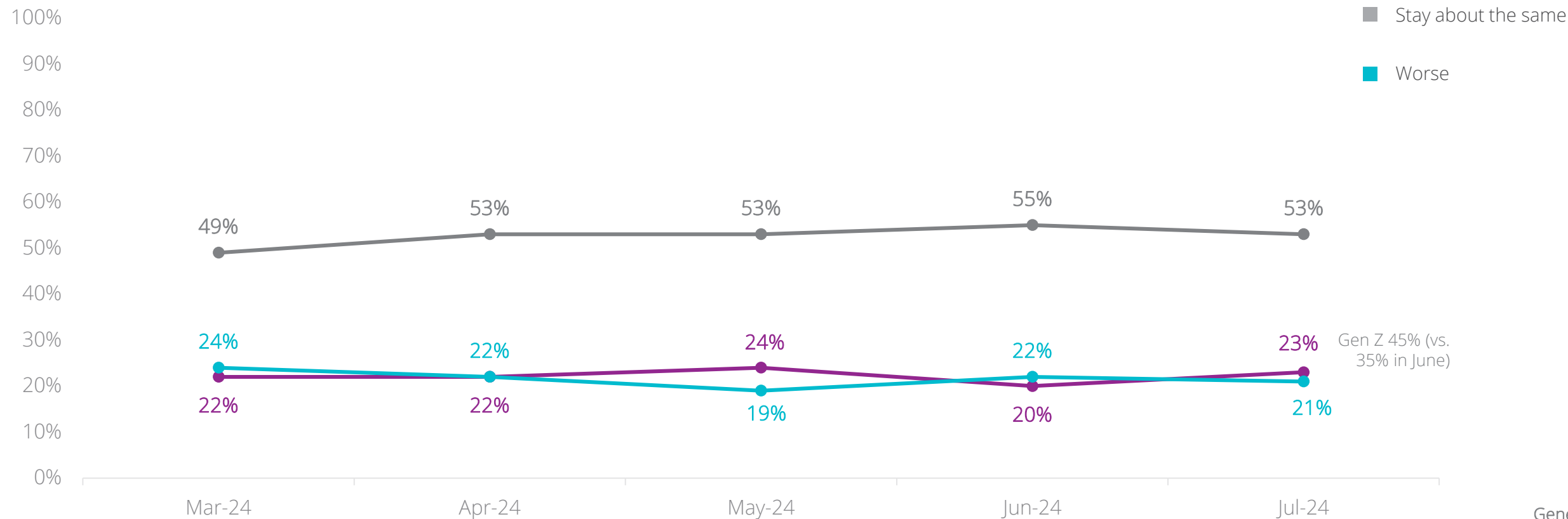
Q1. What is the best way to describe your current financial situation? (Base size: 2,000)



# Increased optimism in the state of the UK economy funnels through to personal finances, particularly amongst Gen Z.

Over the next 3 months do you expect your personal finances to get better or worse?

Total sample



\*Some net figures may be impacted by rounding differences

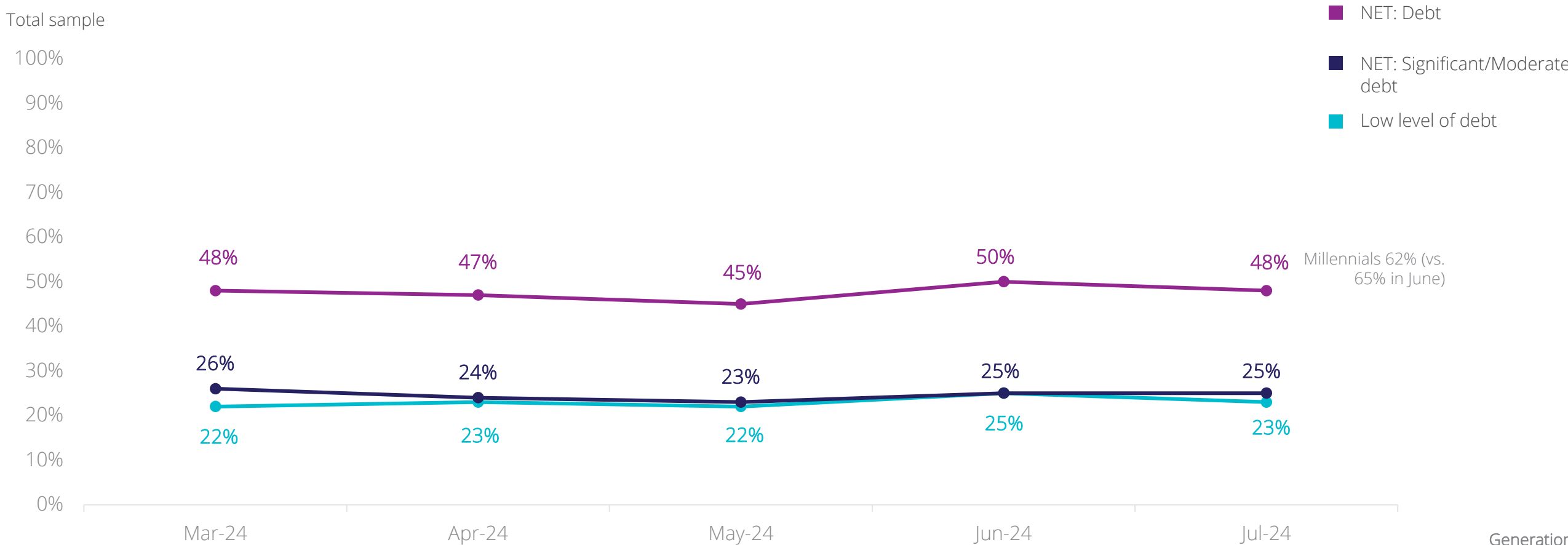
Q2. Over the next 3 months, do you expect the following to get better or worse? State of the UK economy. Base size (2,000)

- Generations
- Gen Z (18-27)
  - Millennials (28-43)
  - Gen X (44-59)
  - Boomers (60-78)

# Debt levels remain consistent, but overall debt reveals a slight dip. Millennials continue to be the most likely to be in debt, although slightly less than in June.

What is your perception of the overall level of consumer debt you currently hold?

Total sample



\*Some net figures may be impacted by rounding differences

Q7. What is your perception of the overall level of consumer debt you currently hold? By 'consumer debt' we mean any debt used to purchase goods or services for personal consumption. This includes bank overdrafts, credit card balances, personal loans etc. but excludes mortgages and student debt. Base size: (2,000)

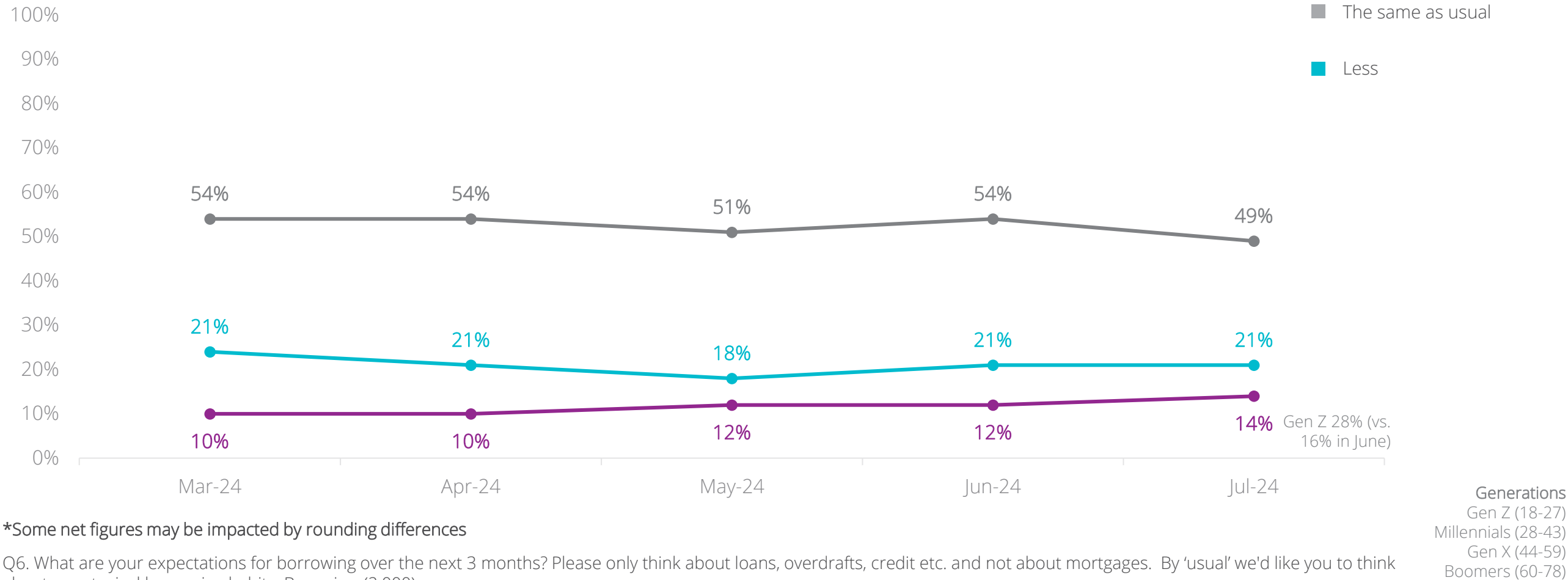
- Generations
- Gen Z (18-27)
  - Millennials (28-43)
  - Gen X (44-59)
  - Boomers (60-78)



Expectations to borrow more show a slight increase compared to June. Gen Z experience a larger increase, leading them to overtake Millennials as biggest borrowers this month.

What are your expectations for borrowing over the next 3 months?

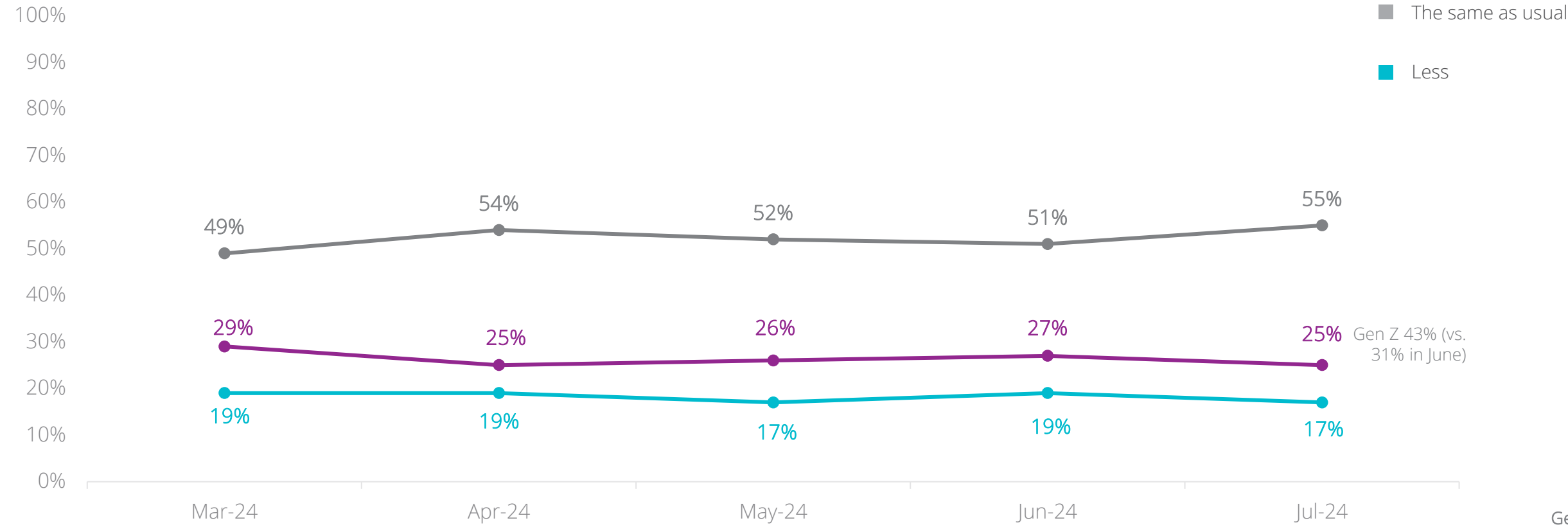
Total sample



# Plans to spend more drop slightly, but Gen Z overtake Millennials as nearly half plan to spend more over the summer months.

What do you plan to do in relation to your spending over the next 3 months?

Total sample



\*Some net figures may be impacted by rounding differences

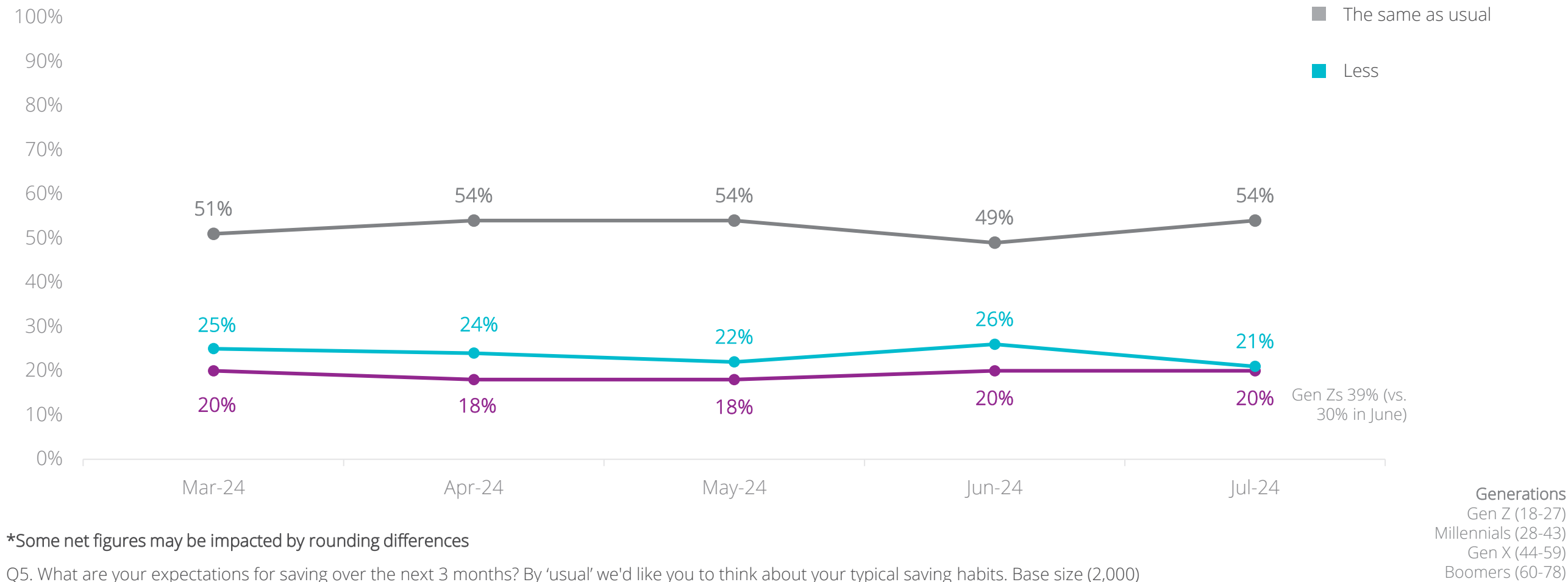
Q3. What do you plan to do in relation to your spending over the next 3 months? By 'usual' we'd like you to think about your typical spending habits. Base size: (2,000)

Generations  
Gen Z (18-27)  
Millennials (28-43)  
Gen X (44-59)  
Boomers (60-78)

Saving expectations improve slightly as there is a decrease in those expecting to save less. Gen Z suggest improved financial health as they overtake Millennials as being the most likely to save more.

What are your expectations for saving over the next 3 months?

Total sample



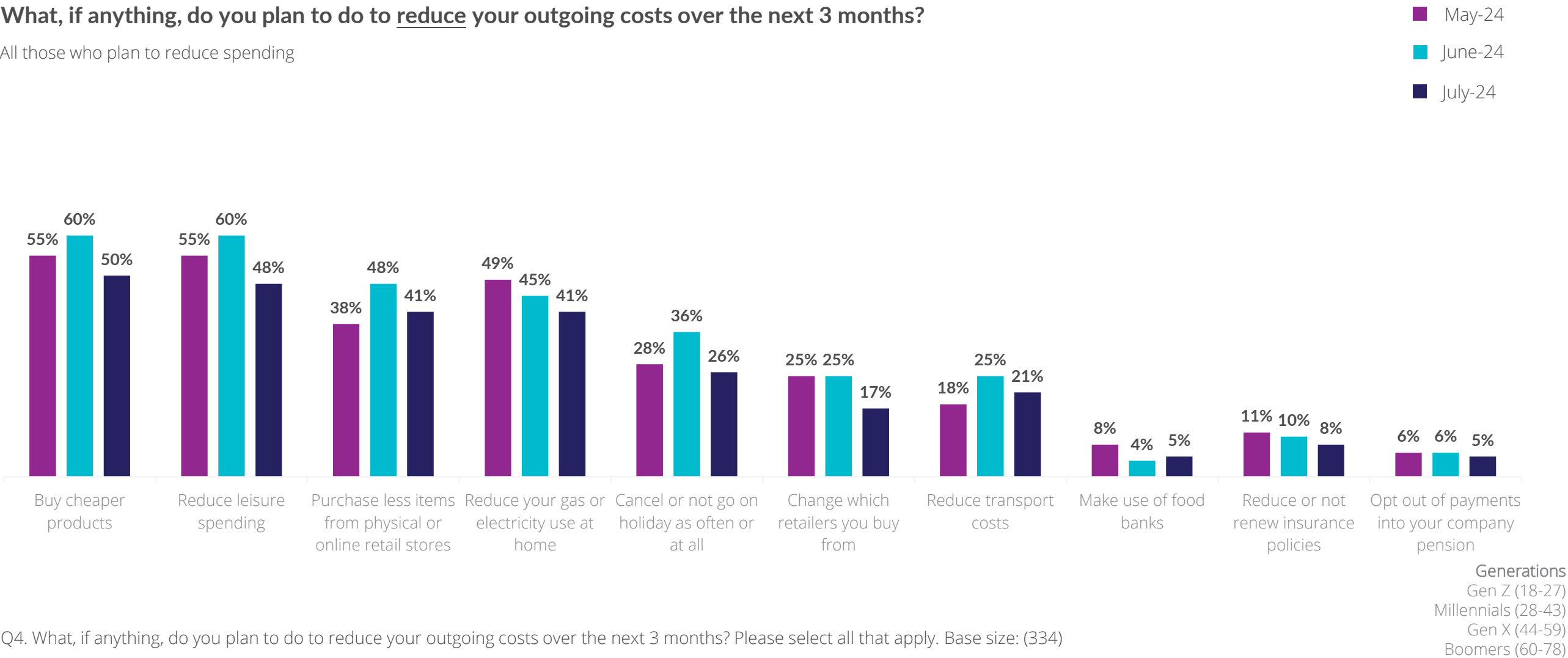
\*Some net figures may be impacted by rounding differences

Q5. What are your expectations for saving over the next 3 months? By 'usual' we'd like you to think about your typical saving habits. Base size (2,000)

Consumers continue to leverage buying cheaper products and reducing leisure spend to reduce outgoings, although noticeably less are prepared to compromise spend on leisure or holidays compared to June.

What, if anything, do you plan to do to reduce your outgoing costs over the next 3 months?

All those who plan to reduce spending



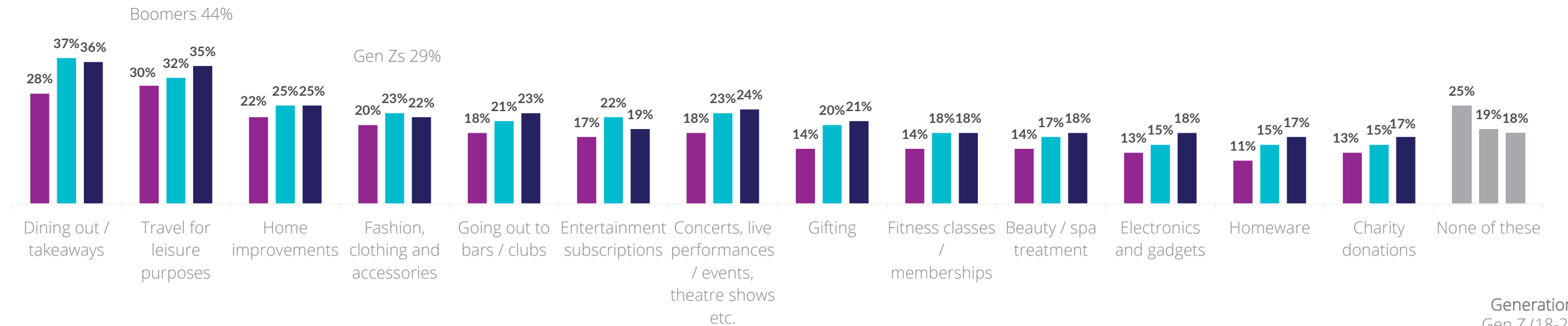
Q4. What, if anything, do you plan to do to reduce your outgoing costs over the next 3 months? Please select all that apply. Base size: (334)

Dining out, leisure travel and home improvements remain top discretionary spending areas, but as we enter the summer months, going out to bars and electronics experience slight increases.

Over the next 3 months, which of the following would you say are your non-essential spending priorities?

Total sample

- May-24
- June-24
- July-24



Q8. Non-essential spending is optional / discretionary spend for goods or services that are not necessary for maintaining a minimum standard of living. With this in mind, over the next 3 months, which of the following would you say are your non-essential spending priorities? Please select all that apply. Base (2,000)

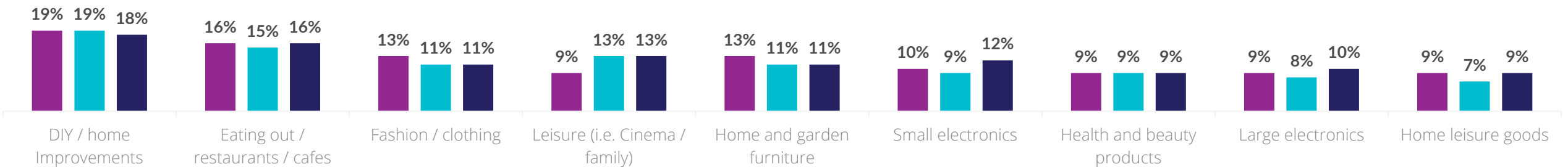
For July, consumers continue to look to spend more on DIY and eating out over the next three months, with leisure maintaining its uptick since entering the summer months in June.

**What are your expectations for spending on the following retail categories over the next 3 months, compared to the previous 3 months?**

Total sample

NET: More

■ May-24  
■ June-24  
■ July-24



\*Some net figures may be impacted by rounding differences

Q9. What are your expectations for spending on the following retail categories over the next 3 months, compared to the previous 3 months? Base size: (2,000)

Generations  
Gen Z (18-27)  
Millennials (28-43)  
Gen X (44-59)  
Boomers (60-78)

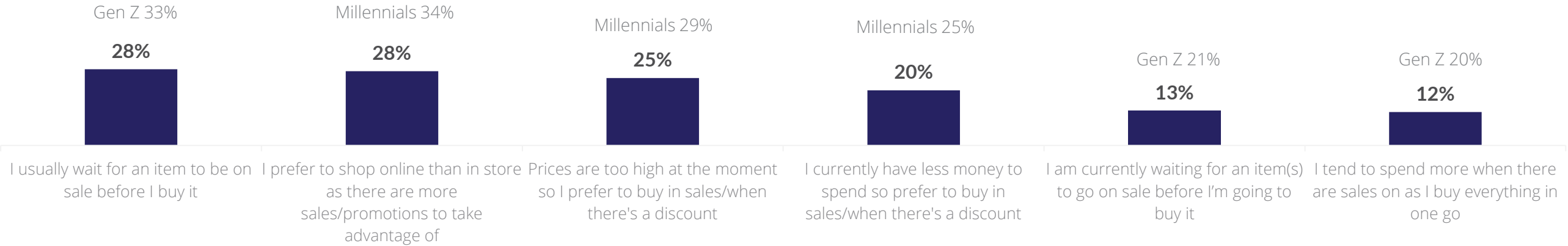
# Appendix



Younger generations are more likely to shop in sales and are also more likely to wait for items to go on sale before buying, with one in five Gen Z currently doing this.

Thinking about shopping when there are sales or discounts, which of the following, if any, apply to you? (NEW July-24)

Total sample



\*Some net figures may be impacted by rounding differences

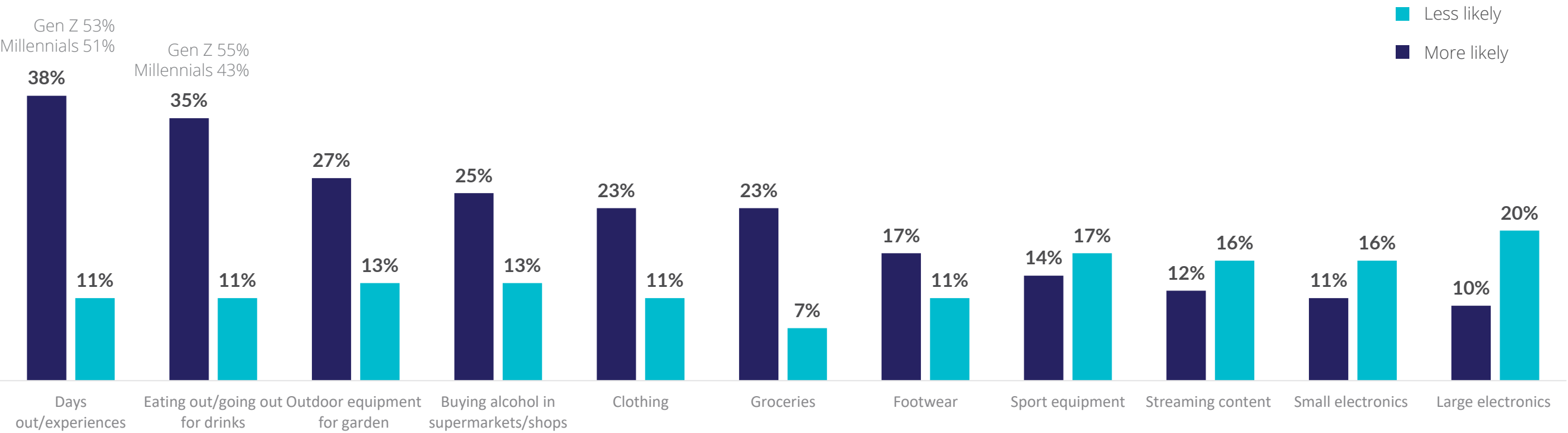
Q10: Thinking about shopping when there are sales or discounts, which of the following, if any, apply to you? Please select all that apply. Base size: (2,000)

Generations  
Gen Z (18-27)  
Millennials (28-43)  
Gen X (44-59)  
Boomers (60-78)

Hot weather periods bring increased spend across many categories, particularly on days out, eating / drinking out and outdoor garden equipment, with younger generations more likely to spend in these areas.

When experiencing hot weather periods during the summer, are you more or less likely to spend money on these items/services? (NEW July-24)

Total Sample



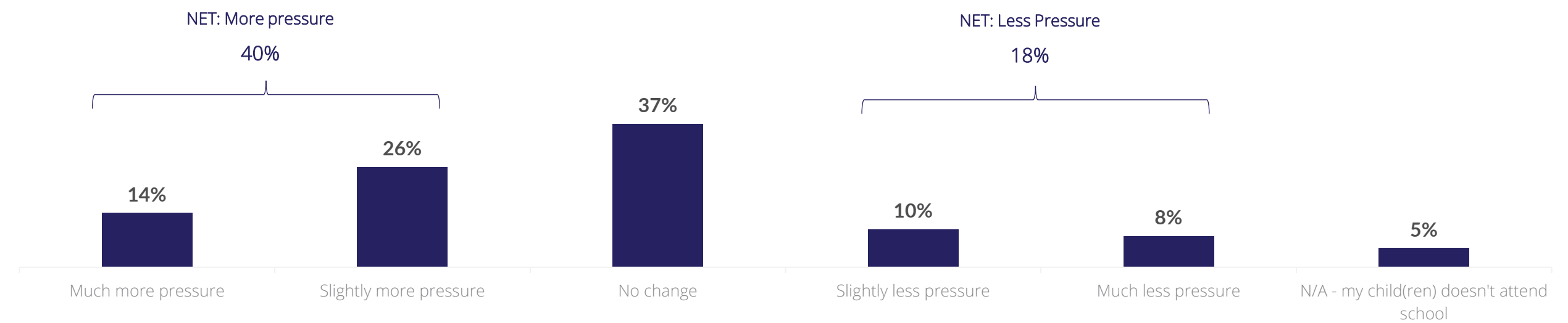
Q11. When experiencing hot weather periods during the summer, are you more or less likely to spend money on these items/services? Base size: (2,000)

Generations  
Gen Z (18-27)  
Millennials (28-43)  
Gen X (44-59)  
Boomers (60-78)

# Two fifths of parents anticipate feeling more financial pressure during the school summer holidays.

As a parent, do you feel under more or less financial pressure during the school summer holidays (mid-July- to September)? (NEW July-24)

Parents of under 18s



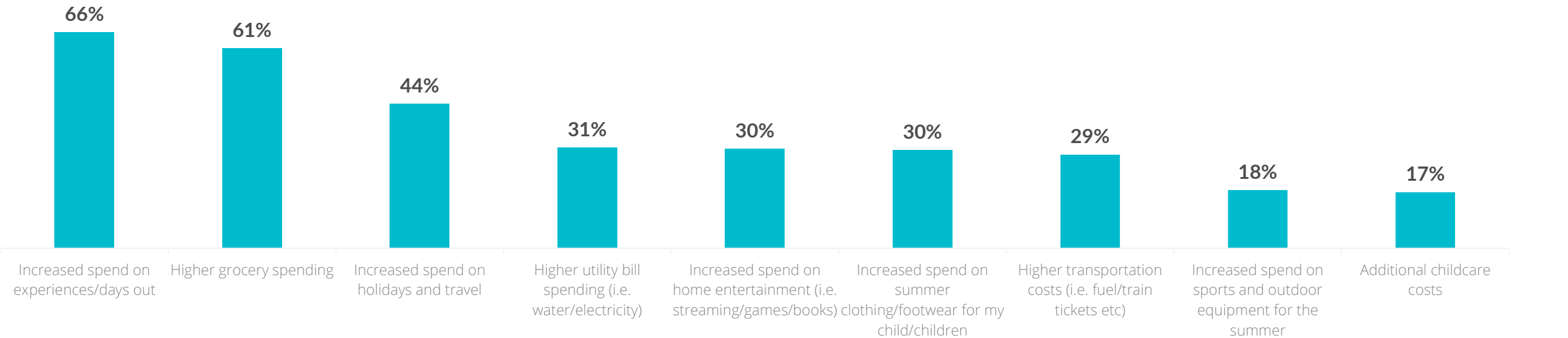
Q12. Most schools are breaking up for the summer holidays this month. As a parent, do you feel under more or less financial pressure (i.e. your feeling of concern, if any, over your ability to pay for goods and services) during the school summer holidays (mid July- to September)? Base size: (450)

- Generations
- Gen Z (18-27)
  - Millennials (28-43)
  - Gen X (44-59)
  - Boomers (60-78)

Driving this pressure for parents is anticipation of spending more on experiences or days out and higher grocery spend.

You mentioned that you feel under more financial pressure during the school summer holidays, what are the main reasons for this? (NEW July-24)

Those parents who feel more financial pressure during the school holidays



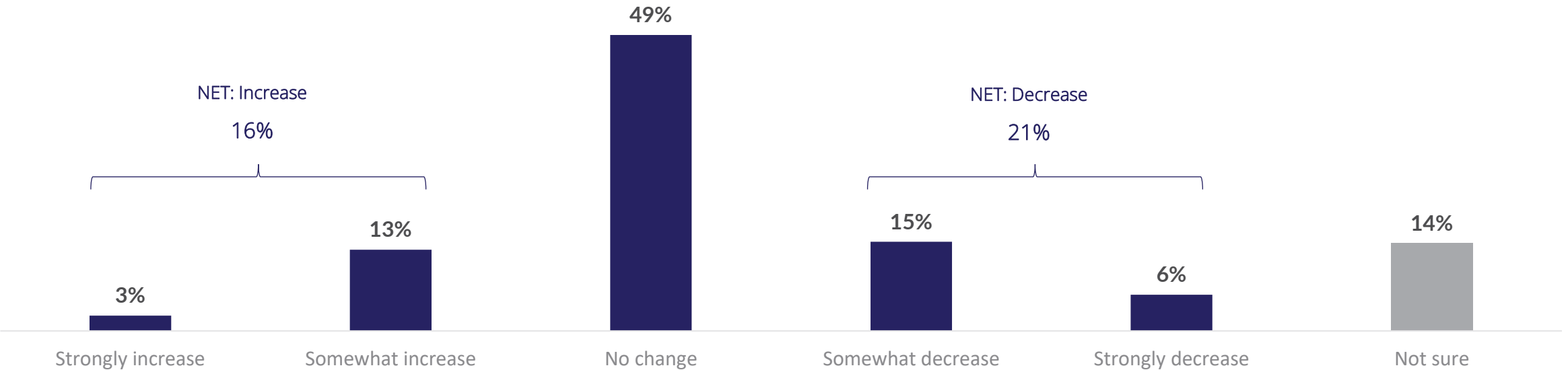
Q13. You mentioned that you feel under more financial pressure during the school summer holidays, what are the main reasons for this? Please select all that apply. Base size: (180)

Generations  
Gen Z (18-27)  
Millennials (28-43)  
Gen X (44-59)  
Boomers (60-78)

Following the general election, half of UK adults expect no change in their spending power, whilst 1 in 5 anticipate their spending power to decrease.

Since learning the results of the UK General Election, do you think your spending power will increase or decrease over the next three months? (NEW July-24)

Total sample



\*Some net figures may be impacted by rounding differences

Q14. Since learning the results of the UK General Election, do you think your spending power will increase or decrease over the next three months? Base size: (2,000)

- Generations
- Gen Z (18-27)
  - Millennials (28-43)
  - Gen X (44-59)
  - Boomers (60-78)

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## THE BRITISH RETAIL CONSORTIUM

The BRC's purpose is to make a positive difference to the retail industry and the customers it serves, today and in the future.

Retail is an exciting, dynamic and diverse industry which is going through a period of profound change. Technology is transforming how people shop; costs are increasing; and growth in consumer spending is slow.

The BRC is committed to ensuring the industry thrives through this period of transformation. We tell the story of retail, work with our members to drive positive change and use our expertise and influence to create an economic and policy environment that enables retail businesses to thrive and consumers to benefit. Our membership comprises over 5,000 businesses delivering £180bn of retail sales and employing over one and half million employees.



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## OPINIUM

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Opinium works with organisations to define and overcome strategic challenges – helping them to get to grips with the world in which their brands operate. It uses the right approach and methodology to deliver robust insights, strategic counsel and targeted recommendations that generate change and positive outcomes.

Opinium's consultants are experts in political, financial services, tech, industrial, healthcare and consumer packaged goods research. Opinium was the most accurate research agency in the 2019 UK General Election, the 2016 London Mayoral Election and the EU Referendum.



What people think,  
feel and do