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Job Security Reaches 18-Month High

Consumer barometer for February shows:

- *personal job security at highest level since July 2005*
- *consumers slightly more optimistic about interest rates, but rise expected soon*
- *modest improvement of consumer price expectations for 2007*

UK consumers feel more secure in their jobs than they have done for 18 months, according to the **Consumer Barometer from Lloyds TSB Corporate Markets**.

In February, 22 per cent of consumers reported that their job security was more positive than last year, up from 20 per cent in January. The balance – the percentage of consumers positive about their job security minus the percentage of negative consumers – rose to +1 per cent up from -1 per cent in January and -3 per cent in December. This is the highest level since July 2005 and well above the 12 month average of -2.4%.

As personal job fears eased, consumers felt more optimistic about general UK employment prospects, with the balance rising to -22% up from -23% in January, a figure not matched since March 2006.

The February barometer also showed a modest improvement in consumers' concerns about rising interest rates in 2007. While most consumers remained fearful of a further rate rise this year, the percentage of those who believe rates will be lower in 12 months rose by 1 per cent in February to 6 per cent, the highest since May 2006.

Similarly, more consumers believed that prices will be lower this time next year and this was reflected in the balance which fell sharply to 71 per cent in February from 75 per cent in January.

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Along side this; the balance of consumers believing prices in general had risen rather than fallen in the last 12 months was 61 per cent in February, down slightly from 62 per cent in January and 56 per cent in December. This is above the 12 month average of 58 per cent.

Trevor Williams, chief economist, Lloyds TSB Corporate Markets, said: “On the back of continuing solid economic growth, consumers are regaining confidence in the security of their jobs and the UK employment market in general. Recent unemployment data has also been supportive. The number of people claiming jobless benefits is down by 34,000 in the past four months and the unemployment rate is back at 2.9 per cent and could fall further.

“The reassurance which consumers feel will contribute to the lasting health of the housing market, with a good supply of people able to buy or move home. We will also see this reflected in consumer spending, suggesting that the overall outlook for coming months continues to be positive, even if the predicted interest rate increase appears.”

Full national survey response (February 2007)

During the last 12 months, do you think prices in general are:	Up	Same	Down	Balance
Percentage balance (%)	65	28	4	+61

During the next 12 months, do you expect prices in general to be:	Up	Same	Down	Balance
Percentage balance (%)	76	17	5	+71

Do you feel your job is more secure or less secure than it was 12 months ago:	More	Same	Less	Balance
Percentage balance (%)	22	55	21	+1

Do you think employment prospects in the UK in general are better or worse than 12 months ago	Better	Same	Worse	Balance
Percentage balance (%)	15	42	37	-22

Do you think interest rates will be higher or lower in 12 months' time than they are now?	Higher	Same	Lower	Balance
Percentage balance (%)	78	13	6	+72

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