

Friday, 13 April 2018

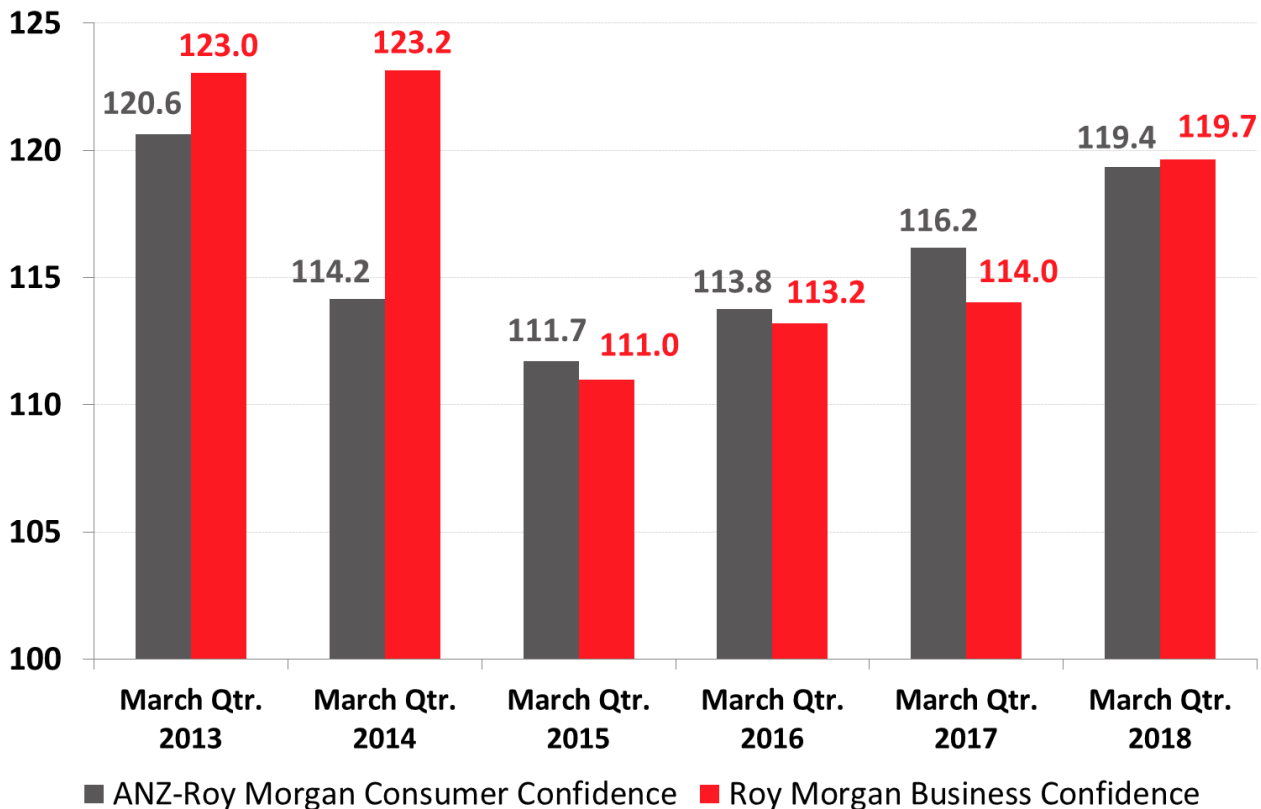
## Consumer Confidence & Business Confidence start 2018 on a high

Roy Morgan Business Confidence and ANZ-Roy Morgan Consumer Confidence have both begun 2018 on a high, recording their highest ratings for the March quarter in several years.

Roy Morgan Business Confidence for the March quarter 2018 was recorded at 119.7, up 5.7pts on a year ago. This is the highest Business Confidence rating for the March quarter since March quarter 2014 when Business Confidence was an impressive 123.2 for the opening months of 2014.

ANZ-Roy Morgan Consumer Confidence has almost matched its fellow confidence measure recording a confidence rating of 119.4 for the March quarter 2018 up 3.2pts on a year ago. This makes 2018 the best start to a year for Consumer Confidence for even longer, since March quarter 2013 when Consumer Confidence averaged 120.6 for the first three months of that year.

### Consumer Confidence & Business Confidence: March Quarter 2013-2018



**Source:** Roy Morgan Business Single Source, Jan-Mar 2013 to Jan-Mar 2018. Consumer Confidence average quarterly sample n=12,566. Business Confidence average quarterly sample n= 4,055.

### Consumer confidence up for both women and men and up significantly for Generation Y

ANZ-Roy Morgan Consumer Confidence is higher across the board early in 2018 compared to previous years and several key demographics have reached multi-year highs in line with the overall figure.

Consumer confidence for women in March quarter 2018 was 115.7, up 2.5pts on a year ago, and for men was 123.1, up 3.9pts on a year ago – both at their highest since March quarter 2013.

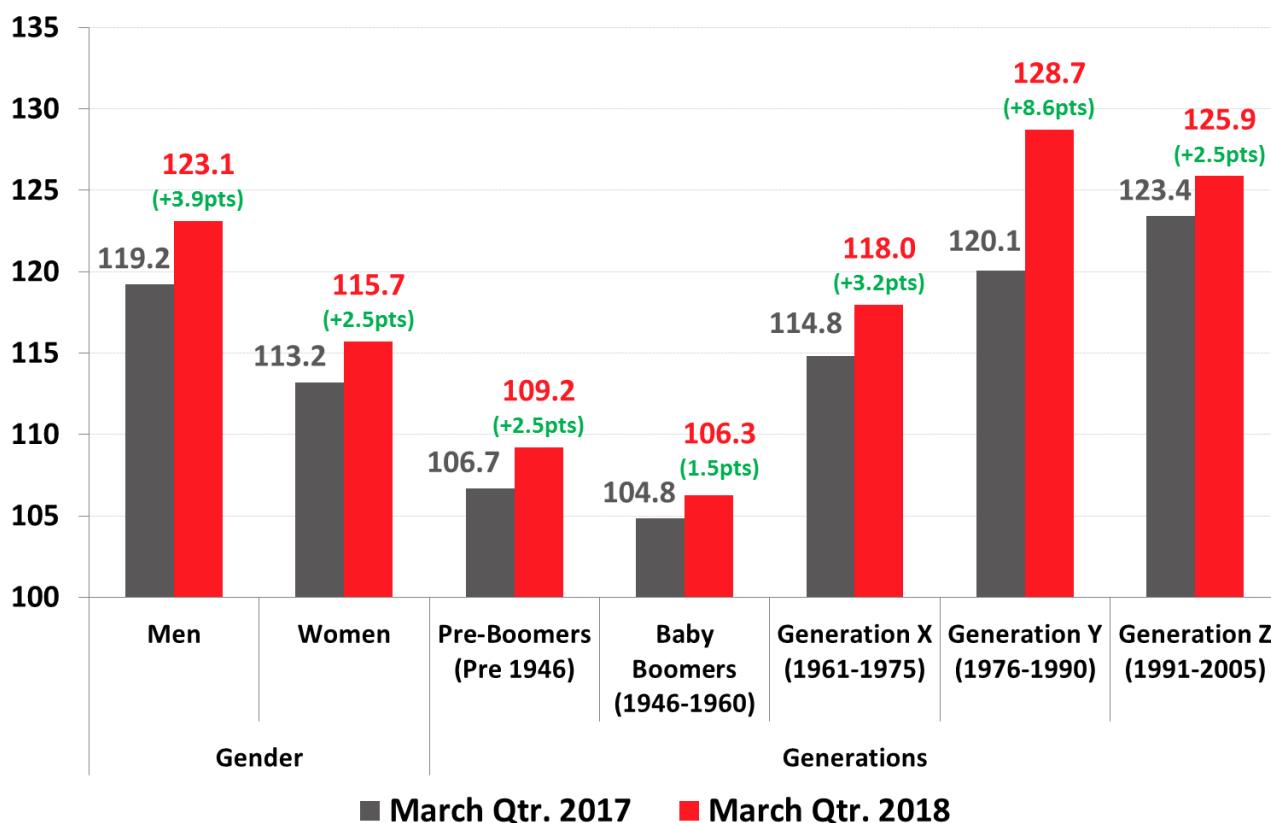
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Consumer confidence was also up for all five generations – led by Generation Y at a very impressive 128.7 for the March quarter 2018, up a significant 8.6pts on a year ago. Consumer Confidence for Generation Y is now at its highest for seven years since March quarter 2011.

Consumer confidence also increased 2.5pts to 125.9 for Generation Z, by 3.2pts to 118.0 for Generation X and by 2.5pts to 109.2 for Pre-Boomers. All three of these generations now have their highest March quarter consumer confidence since 2013.

Interestingly, it is Baby Boomers who now have the lowest consumer confidence of any generation at 106.3 for the March quarter 2018 (up only 1.5pts from a year ago). Despite being lower than other generations Baby Boomers still recorded their highest March quarter consumer confidence since 2014.

### Consumer Confidence by Gender & Generations: March Qtr. (2017 v 2018)



Source: Roy Morgan Single Source, January - March 2017, n=12,450 & January - March 2018, n=12,006.

### Business Confidence driven higher by larger businesses and NSW, WA & SA

Roy Morgan Business Confidence early in 2018 has been driven higher by larger businesses with turnovers of at least \$5 million rather than smaller or micro businesses.

Business confidence for medium sized businesses, with an annual turnover of \$5-\$50 million, is now at an impressive 151.6 for the March quarter 2018, up a large 24.9pts on a year ago and just below Business Confidence for large sized businesses, with an annual turnover above \$50 million, up 17.7pts to 151.8 for the March quarter 2018.

The role larger businesses have played increasing Business Confidence in 2018 is covered extensively in a recent Business Confidence release available here – [‘Business Confidence in 2018 driven by larger businesses’](#).

Analysing Business Confidence by States compared to March quarter 2017 shows the increase has been driven by strong increases in three States.

Business Confidence in New South Wales is now at 124.9 in March quarter 2018, up 8.7pts from a year ago and there have been even stronger increases in South Australia, up 17.4pts to 136.3 and Western Australia, up 23.1pts to 120.1.

Analysis of the important role these three States have had pushing Business Confidence higher in 2018 is available in our recent March Business Confidence release here – [‘Business Confidence over the past year driven higher by NSW, WA & SA’](#).

## **Michele Levine, CEO Roy Morgan, says consumers and businesses have started 2018 at their most confident since the end of the mining boom in 2013-14:**

*"We are now into the fourth month of 2018 and political attention has turned towards next month's Federal Budget – which may be the last Federal Budget before a Federal Election later this year or early next year. The good news for the Federal Government is that two key indicators of the health of the Australian economy – Roy Morgan Business Confidence and ANZ-Roy Morgan Consumer Confidence have begun 2018 in confident fashion.*

*"Roy Morgan Business Confidence, now at 115.4 in March, averaged 119.7 in the March quarter 2018, its best start to a year since March quarter 2014. In addition ANZ-Roy Morgan Consumer Confidence, now at 115.1 in early April, averaged 119.4 in the March quarter 2018, the most confident start to a year for Australian consumers since the tail-end of the mining boom in 2013.*

*"The strong start to the year is broad-based across different demographics and types of businesses but there are a few key demographics that are driving this confident start to 2018.*

*"Consumer confidence for Generation Y soared to 128.7 for the March quarter 2018, up 8.6pts on a year ago and higher than their younger counterparts in Generation Z on 125.9, up 2.5pts in a year. In addition consumer confidence for women was up 2.5pts in a year to 115.7 and for men was up 3.9pts to 123.1.*

*"Business confidence is soaring for medium and larger sized businesses with an annual turnover of at least \$5 million, now at over 150 for each of these categories in the March quarter 2018. Also driving the increase in business confidence is strong increases in New South Wales, South Australia and Western Australia which appears to have finally moved past a long post mining-boom slump.*

*"The strength in these key indicators is welcome and explains why the two latest special Morgan Polls on Federal voting intention released in the last month – March 26, 2018: [Federal Election too close to call. ALP 51% cf. L-NP 49%](#) and April 6, 2018: [Federal Election still too close to call: ALP 51% cf. L-NP 49%](#) both show a significant improvement for the Government despite other polls showing Prime Minister Malcolm Turnbull in trouble politically.*

*"The improved political performance of the Turnbull Government, and the positive start to 2018 for both Roy Morgan Business Confidence and ANZ-Roy Morgan Consumer Confidence, mean next month's Federal Budget presents a clear opportunity for Treasurer Scott Morrison to set the Government on the path to a strong performance at the next Federal election."*

### **For comments or more information please contact:**

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### **About Roy Morgan**

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 75 years' experience in collecting objective, independent information on consumers.

### **Margin of Error**

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2



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