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Reflecting Ireland

Looking forward to 2023

An insight into consumer
behavioural change in Ireland



Executive Summary

This is a time of year when we traditionally take stock. We reflect on the year that has been and make plans for the year to come. In this special edition of Reflecting Ireland, we look at how people view their lives on this island, what concerns them, and what hopes they have for the future.

From our findings, we find that most of us are happy with the country we call home. We see it as a good place to grow up and grow old in, we prize our decency and values, but few have not been impacted by a changing economic environment. Pragmatism is an enduring theme - we recognise that there are testing times ahead and plan to cut our cloth accordingly.

Our Lives

- Three quarters of people (74%) believe that all in all, Ireland is a good place to grow up in, and only 1 in 10 (9%) disagree. 61% believe Ireland is a good place to grow old in, with 18% disagreeing.
- The welcoming nature of Irish people is seen as one of the best things about living in Ireland today, with 51% citing this as a key positive. Our natural environment (48%), culture (38%) and community values (31%) also rank highly.
- There is clear focus on improving our health on wellbeing next year. 61% plan to get more exercise, while 54% of us say we will improve our diet or sleeping patterns.
- 8 in 10 (81%) have already committed to a New Year resolution, with losing weight and getting fit the top goals (13% each).

Our Finances

- The proportion of consumers planning to save regularly has increased from 58% in 2021 to 65% in 2022 - and the proportion that are not in a position to save has reduced from 38% to 27%. 40% of people say they will cut back on the amount they save over the year ahead.
- The most common reason given for saving is precautionary, with 51% keeping money aside for a 'rainy day'. Other popular reasons are for a holiday (38%), a new car (27%) or home-related (home improvements 22%, mortgage deposit 16%).
- Women are more likely to feel they are vulnerable to a financial shock - 44% say they could not pay for a major unexpected expense. This is significantly more than the level of men (27%) who feel this way. For those aged 25-54, this figure stands at 41%.
- With the economy in flux, 59% of consumers say they only expect to "get by" in 2023. Over 1 in 3 (36%) do not expect to have any money left over at the end of the month.

Our Important Issues

- Healthcare and Housing are our two most important policy issues going into next year. Over nine in ten cite the standard of health as being most deserving of our attention.
- Focusing on environmental and sustainability intentions, we are prepared to recycle more and use public transport more often, but less inclined towards actions such as partially or fully retrofitting our homes, or buying an electric or hybrid vehicle.
- Despite the likely financial impact, we are still prepared to step up to the mark in solidarity with Ukraine into the future. 47% agree European sanctions against Russia are worth it and 49% are in favour of the EU policy on supporting refugees. Both are more than double those who disagree.

Our Economy

- There are warning signs for the hospitality industry, with many stating that these outgoings will be top of their list when cutting back. Eating out in restaurants (61%), going to pubs (54%), long and short domestic holidays (47% and 50%) are all areas where consumers are planning to reduce their spend.
- On housing, only 11% believe the housing market will become more affordable in 2023, and a similar proportion (10%) believe the rental market will ease. Just one in eight (12%) agree that now is a good time to buy a house.
- From a macroeconomic perspective, two thirds of us believe there will be a recession in 2023. As a result, 66% plan to cut back on essential items if the cost of living continues to increase.

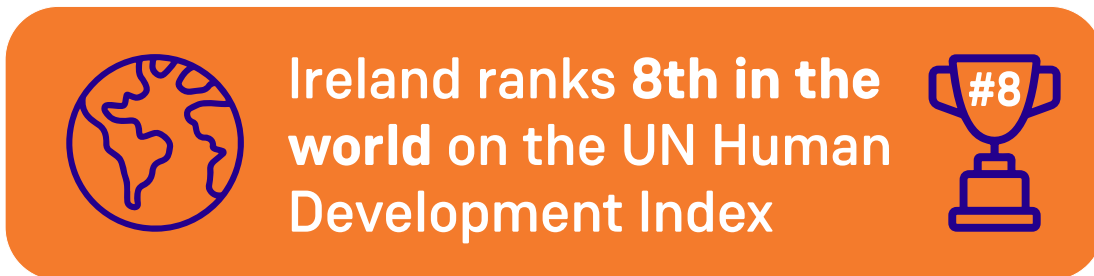
The Reflecting Ireland research series was conducted among a nationally representative sample of 1,000 adults aged 18+ in the Republic of Ireland. Interviews were carried out between November 11th - 28th 2022.

All in all, Ireland is a good to place to live.

Despite our many challenges, we are able to take a step back and appreciate what we have.

Three quarters of us (74%) believe that all in all, Ireland is a good place to grow up in while only 1 in 10 (9%) disagree. A majority (61%) also believe Ireland is a good place to grow old in, with 1 in 5 (18%) disagreeing. Interestingly, as we will see later, we're more likely to agree with this statement as we get older.

Our positive assessment of life in Ireland is borne out by our position on the UN Human Development Index, part of the 2022 UN Human Development Report (1). Ireland ranks 8th out of 191 countries on the index, a global measure of quality of life based on four factors: life expectancy, health, standard of living and education. This puts us ahead of the UK (18th) and the US (21st).



Ireland ranks 8th in the world on the UN Human Development Index

What do we find best about living in Ireland today?

We are proud of our welcoming nature. For over half of us (51%) it is one of the best things about living in Ireland today, followed by our natural environment (48%), culture (38%) and community values (31%). Our sense of community, altruism, tolerance and appreciation of diversity all feature in our top 10 of the best things about living in Ireland, showing that we live in a country that prizes its values.

Top 5 best things about living in Ireland today:



A country of decency and fairness

In social psychology, individualistic cultures are those that prioritise the rights and concerns of individuals, while collectivist cultures prioritise the wellbeing of the community as a whole. National cultures sit somewhere along this individualistic-collectivist spectrum. Although Irish society is regarded as individualistic in many respects, it is comparatively less so than the UK or US (2).

Despite all the challenges, our sense of common decency remains intact

Despite difficulties caused by the rising cost of living, we have a strong sense of common decency and a real desire to look after those less fortunate. Twice as many (49%) agree we should continue to support Ukrainian refugees versus those who disagree (25%). Similarly twice as many (47%) agree that European sanctions against Russia are worth it even if it means higher energy prices versus disagree (23%).



Nearly 1 in 2 support Russian sanctions even if it means higher prices



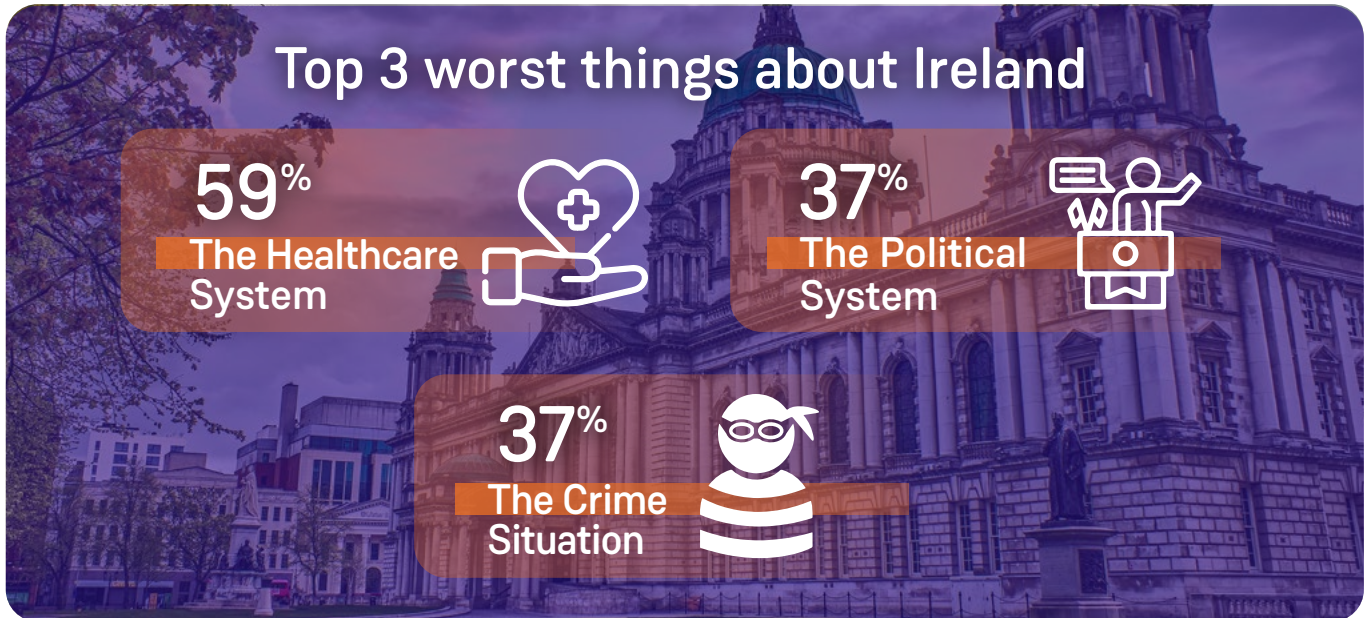
A sense of fairness for all is important to us

Irish people believe in the importance of community and that inequalities in society should be minimised (2). Looking ahead to 2023, issues that are personally important to people, even if they are not directly impacted by them, include the standard of healthcare (93%), availability of housing (81%), level of pensions (78%), standard of policing (77%), standard of education (76%) and available social welfare benefits (76%).

It matters to Irish people that there is fairness in our system.

Where we can do better

Although the vast majority of us feel Ireland is a good place to live, we are nonetheless frustrated by the inefficiencies or lack of fairness in our systems. When asked what is the worst thing about living in Ireland, our healthcare system tops the list (59%), followed by our political system (37%), crime (37%) and poor planning (36%).



We are frustrated by our healthcare system

When we ask what issues are personally important to people as we look ahead to 2023, the standard of healthcare emerges at the top of the list. More than 9 in 10 (93%) say it is an important issue, ahead of the availability of housing in second place on 81%.

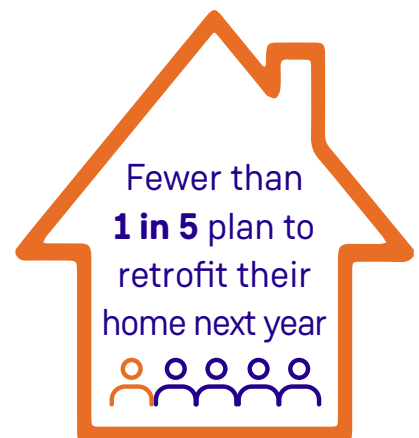
There is a palpable sense that we all have skin in the game and that we all depend on or benefit from the healthcare system at some point in our lives. Our frustration with the healthcare system is also palpable, with 6 in 10 (59%) naming it among the worst things about living in Ireland.

 More people (**93%**) say healthcare is important than the availability of housing (**81%**) in 2023 

Can more be done on climate change at an individual level?

When we reflect on 2023, three quarters (75%) of us regard climate change as important. However, when it comes to behaviour, we are prepared to commit to easier changes but less inclined when it comes to more significant actions.

A majority claim they intend to do more to reduce their carbon footprint in 2023 (52%), recycle more frequently (63%) and use public transport more often (39%). When it comes to changes that involve more effort or significant outlay, those figures fall to below one in five. This includes fully or partially retrofitting our homes (13% and 17% respectively) and buying an electric or hybrid vehicle (16%).



Financial wellbeing

A check on our financial wellbeing reveals a mixed picture

Financial wellbeing is a key aspect of our general wellbeing. It is less about our wealth or income and more about our relationship with money: how confident we are about managing our finances, how financially secure we feel and how financially prepared we are for what the future might bring.

Just getting by

While some feel able for the financial challenges ahead, others feel they will struggle. Next year, 59% expect to ‘just get by’ financially while 16% of us will struggle. Over half (55%) feel confident about managing their day-to-day finances but a similar proportion (53%) feel their finances will control their lives.



The looming threat of an unexpected expense

The comfort of a financial buffer is simply not there for many. A third (36%) don’t expect to have any money left over at the end of the month and a similar proportion (35%) feel they would not be able to cope with a major unexpected expense. Those least likely to be able to cope with such a scenario are women (44%) and those aged 25-54 (41%).



Some indications are positive

There is some good news. Since we last looked at financial wellbeing in April, those with no money left over at the end of the month has declined from 43% to 36%, and those of us unable to handle a major unexpected expense from 47% to 35%.

Saving more and spending less in 2023

Those that can save plan to do so

Two thirds (65%) plan to put some money aside on a regular basis in 2023, particularly those aged under 44. And where will those savings go? 51% say into a rainy day fund and 38% towards a holiday. Three quarters (75%) of those aged 18-24 plan to save on a regular basis. However, over a quarter (27%) overall feel they won't be in a position to do so.

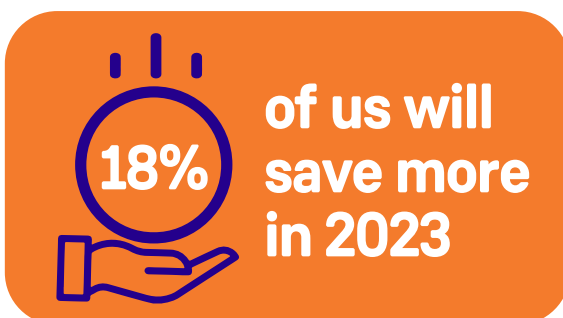
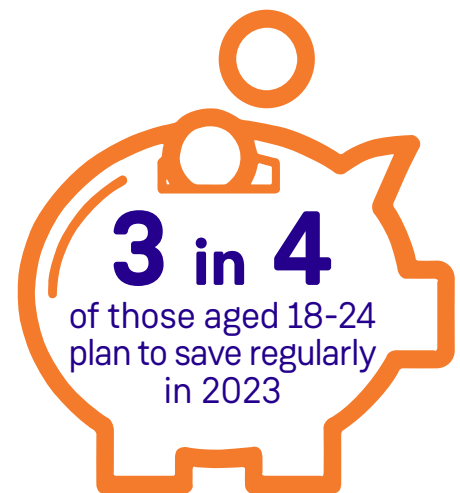
Since we asked the same question in July 2021, the proportion of us that plan to save regularly has increased from 58% to 65% and the proportion that are not in a position to save has reduced from 38% to 27%.

On average the percentage of household disposable income saved is 19% (3), twice as high as before the pandemic. More of us are able to save and plan to continue doing so, and we're saving on average twice as much as before the pandemic.

Most of us will cut our cloth to suit our purse

Overall, 40% are planning to cut back the amount they save or invest, twice as many as those planning to increase it (18%). Those most likely to boost their savings are those under 34 (33%). The fact that many are planning to reduce how much they save is likely an indicator of the pressure to cover cost of living expenses.

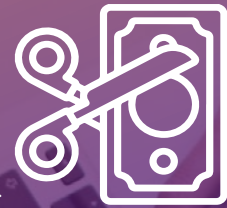
Two thirds (66%) plan to cut back on essential items if the cost of living continues to increase in 2023. By now we are all aware that energy and food prices are driving the cost of living increase, and this is reflected in our plans for next year. Over half (52%) plan to cut back on weekly grocery spend, and 58% plan to cut back on energy use.



Warning signs for hospitality

Celebratory events with friends and family (at 33%) top our list of what will motivate us going into 2023 but we may plan these occasions with lower costs in mind.

When asked about our spending plans for next year, 61% plan to cut back on going out to restaurants and 54% on going out to pubs. Over a third (38%) plan to continue entertaining at home and 17% plan to increase it, particularly those aged under 34 (29%).



Similarly, half of us plan to cut back on weekend breaks (50%) and longer breaks (47%) in Ireland next year, despite the fact that the opportunity to travel comes second on our list (17%) of what will motivate us in 2023. These choices make sense in the context of rising costs as discretionary spend is where we have the most control and where we typically begin when trying to make ends meet.


Cutting back may be helpful at a household level but can pose serious challenges for certain areas of our economy. Striking a balance between the need for households to manage their budgets and the need to stimulate the local economy will be difficult in 2023. This points to challenges ahead for a beleaguered hospitality industry doing its best to deal with rising business costs.

Where we're cutting back

70% 
Sweets & Soft Drinks
Impulse Buys

62% 
Clothes Shopping

61% 
Going to
Restaurants

58% 
Energy
Outgoings

56% 
House decoration
& renovations

54% 
Going To Pubs

52% 
Weekly Grocery
Shopping


50% 
Weekend Breaks
in Ireland

48% 
Foreign Holidays

58% 
Alcohol

47% 
Longer Holidays
in Ireland

40% 
Savings or Investment
Accounts

39% 
Mobile Screen
Time

38% 
Entertaining at
home

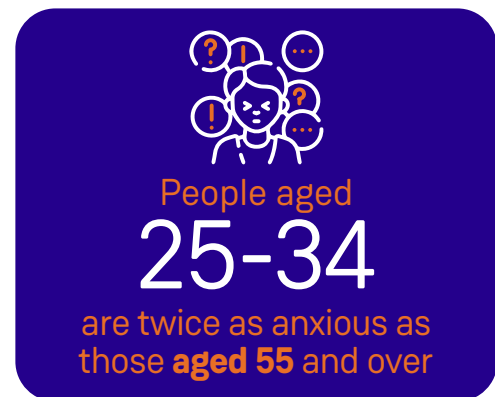
57% 
Cigarettes

A sense of perspective

The older people are, the more optimistic they feel about living in Ireland in 2023

While optimism stands at 18% overall, it rises from a low of 8% among 18-24 year olds before steadily increasing with each successive age group to 28% among those aged 65 and over. Older people are more likely to rate Ireland as a good country to grow up in (88% among over 65s vs. 63% among 18-24s), and a good country to grow old in (73% among over 65s vs. 58% among 18-24s).

Older age groups are also less likely to report anxiety: 22% of those aged 55+ do so, compared to twice as many (42%) among those aged 25-34.



Interestingly, how people feel about their own personal financial situation shows the opposite pattern. Overall, 63% feel worse off than a year ago, with older age groups more likely than younger age groups to report this. Seven in ten (69%) of those aged 45-64 feel financially worse off than a year ago, compared to 48% of 18-24 year olds.

Looking towards 2023, 47% expect to be worse off a year from now, but that rises sharply from 24% among 18-24 year olds to 60% among 55-64 year olds.

1

100 Years of Progress

100

On the 100th anniversary of the founding of the State, we have a lot to feel proud of. In *In Fact: An Optimist's Guide to Ireland at 100*, Mark Henry outlines how our lives have improved since independence. We live longer, are healthier, better educated, have a better standard of living and more personal freedoms than at any time before (4).

This is reflected in our ranking as 8th in the world in the UN Human Development Index. This is not to take from the fact that not everyone is benefitting as they should be and that work still needs to be done, but it should give us hope that we are able to overcome any challenges ahead and make this an even better country to live in.

New Year, New Us

Getting more exercise, healthier eating, taking care of our mental health and sorting out our finances are the most popular New Year resolutions for 2023. Over 8 out of 10 (81%) have already picked a resolution, but we're also looking at making wider behavioural changes next year.

Health and wellbeing is our focus in 2023

Looking to our behaviours, our findings give an idea of the steps we'll take to look after our mental health. Almost one third of us (31%) plan to set aside more time for spending with family and friends while nearly half of us (47%) have decided we're going to get outside and experience more of Ireland's nature in 2023.

Where we plan to improve in 2023

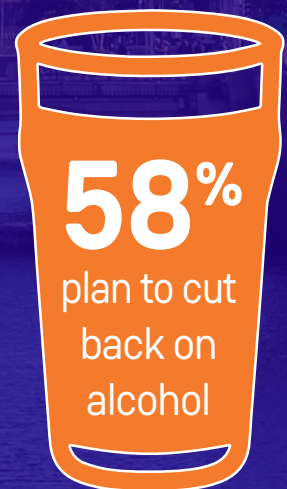


We take a holistic approach to looking after our health

We have a clear idea of what we need to do to look after our health and wellbeing in 2023. Most of us plan to do more exercise (61%). Over half of us plan to get more sleep (54%). A similar proportion plan to have a healthier diet.

Many of us plan to cut spend on unhealthy items: 70% intend plan to cut back on impulse sweets and soft drinks, 58% on alcohol and 57% of smokers plan to cut back on cigarettes.

We also take a holistic view of what will improve our health and wellbeing. We plan to spend more time in nature (47%), listen to music (38%) and socialise with friends (31%). All of these come ahead of relying on health supplements which almost a quarter (23%) plan to take.

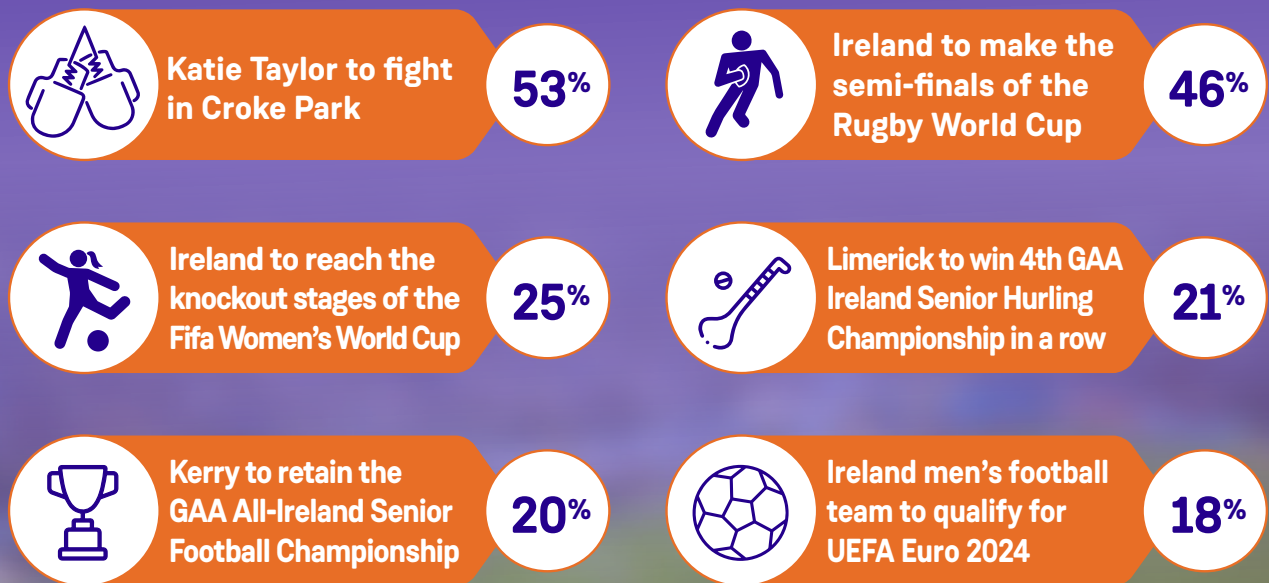


**of those who drink alcohol*

Sporting predictions

There is optimism that Katie Taylor will finally get to fight professionally on home soil, with over half of people expecting her to take to the ring for a fight in Croke Park in 2023. Rugby fans are also hopeful that Ireland will reach a Rugby World Cup semi-final for the first time. On the football side of things, we're backing the women's team to have more success than their male counterparts.

Most Likely Sporting Achievements in 2023



**percentage of people who predict this will happen*



Reflecting the Nation

A Regional Look at Financial Wellbeing in 2023

When looking at regional differences in financial wellbeing, people in Dublin appear to be in a slightly stronger position to weather higher costs in 2023. More people in the capital (44%) say they expect to have money left over at the end of the month compared with other regions, while only 36% of those in Munster say the same.

CONNACHT & ULSTER



- I expect to be confident managing my day-to-day finances: **57%**
- I expect to have money left over at the end of the month: **39%**
- I expect to just get by financially: **57%**
- I expect I will be able to handle a major unexpected expense: **40%**

DUBLIN



- I expect to be confident managing my day-to-day finances: **61%**
- I expect to have money left over at the end of the month: **44%**
- I expect to just get by financially: **59%**
- I expect I will be able to handle a major unexpected expense: **43%**

MUNSTER



- I expect to be confident managing my day-to-day finances: **51%**
- I expect to have money left over at the end of the month: **36%**
- I expect to just get by financially: **62%**
- I expect I will be able to handle a major unexpected expense: **38%**

REST OF LEINSTER

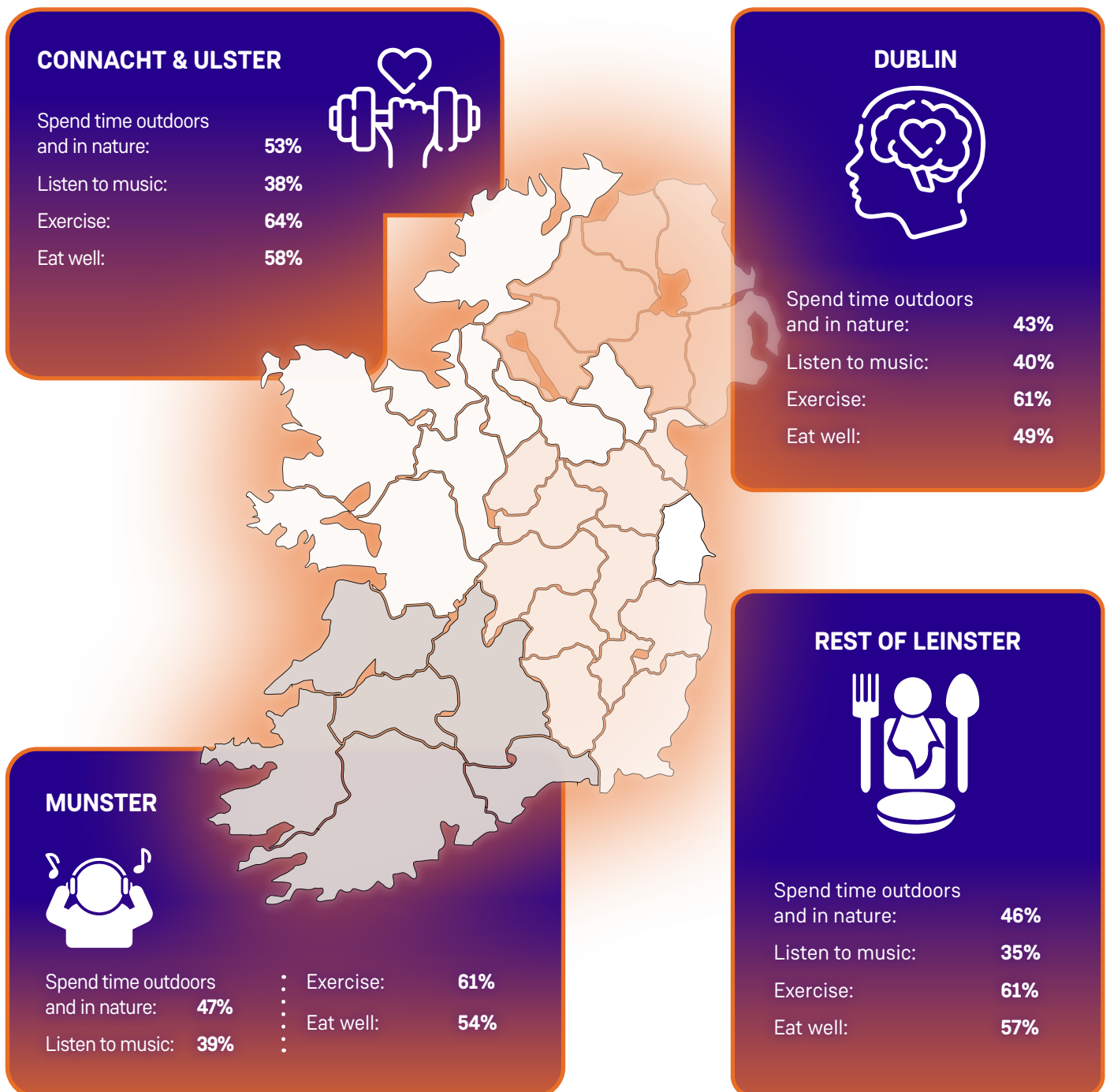


- I expect to be confident managing my day-to-day finances: **52%**
- I expect to have money left over at the end of the month: **39%**
- I expect to just get by financially: **58%**
- I expect I will be able to handle a major unexpected expense: **36%**

Reflecting the Nation

A Regional Look at Health and Wellbeing in 2023

In keeping with our resolutions, the behavioural changes we plan to make next year are focused on our physical and mental health. Over 6 in 10 of us will exercise more while spending time outdoors is a significant goal for all of us. Notably, people in Connacht and Ulster (53%) appear more likely than their Dublin (43%) counterparts to spend time in nature.



Methodology

Our Reflecting Ireland research series looks at how consumer behaviour is changing in Ireland. In our seventh edition, we've taken a look forward rather than back by examining the hopes, expectations and attitudes of people as we move into 2023.

- Interviews were conducted online among a sample of those aged 18+.
- Quota controls were set on gender, age, social class and region to mirror the 18+ population profile.
- 1,000 interviews were conducted in total
- Interviews carried out between November 11th – November 28th.
- Data weighted to reflect the adult population aged 18+.
- The margin of error for this research is +/- 3.1%.

For further information, contact;


permanent tsb

Leontia Fannin
Head of Corporate Affairs & Communications
leontia.fannin@permanenttsb.ie

KANTAR

Paul Moran
Associate Director
paul.moran@kantarc.com

 behaviour wise

Claire Cogan
Director
claire@behaviourwise.ie

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