



permanent tsb

Reflecting Ireland

An insight into consumer
behavioural change in Ireland



KANTAR

Representatives of our Colleague Network Groups

Executive Summary

As social animals, our sense of community can be a powerful tool for improving health and wellbeing and strengthening our resilience in difficult times. For many, the pandemic proved this theory. Now, as we endure yet another challenging period, we wanted to explore how people in Ireland understand this concept and the role it plays in their lives.

In this edition of Reflecting Ireland, conducted in partnership with Kantar, we investigate how people here define community, what they do to shape it, and the factors they think help to make our communities stronger or weaker. We then follow this with our quarterly look at consumer attitudes towards Ireland's economic situation and its direction of travel.

We've partnered with Claire Cogan of BehaviourWise to help us to interpret the data. As a behavioural scientist, her analysis helps us take a deeper look at the motivations and behaviours that can explain our findings.

Community Findings:

- Two thirds of us (65%) feel there is a strong community spirit in the area we live in, only 15% of us feel that is not the case. This is reflected in our relationships, with 65% saying they know their neighbours well.
- When considering the factors that define a good community, people helping each other out (78%) rates most highly, followed by people looking out for vulnerable neighbours (75%) and a sense of physical security (73%).
- There is some evidence of a say-do gap when it comes to community participation. While 69% of people say it is important to participate in community, only 49% do so actively. A lack of time may explain this with 3 in 4 people saying being too busy is the main barrier to creating a strong sense of community.
- In terms of urban versus rural access to key services, 77% of people in urban areas rate broadband access as excellent or good versus 55% in rural areas. For transport, this is 63% v 29% while access to medical facilities is 52% v 32%.
- Sport is a central outlet in how people engage with their community. Two-thirds (65%) say access to sports clubs is excellent or good where they live with 32% actively participating in these clubs and 26% showing support by volunteering. Engagement with sport is particularly strong among the under 34s, those with children and those living in newly established areas.

Economic Findings:

- People in Ireland remain deeply concerned about their economic situation. Negativity towards our personal finances continues to rise – six in 10 (59%) feel they are worse off compared to this time last year.
- Looking to the future, half the population feel they will be less well-off over the next 12 months – more than double what we reported in January. Those aged 18-24 – a generally optimistic cohort – are the only exception to this, with 47% expecting to be better off versus 20% worse off.
- The inflationary crisis appears to have spread to all sectors of society. Higher-income individuals, who might otherwise be more insulated from price rises, are now also in deeply negative territory with 47% expecting to be worse off (versus 34% in April).
- On a macro level, just 1 in 10 feel the economy will improve in the next year versus 2 in 3 stating the opposite. Negativity about the broader economic situation is now at levels not seen since the aftermath of the banking crash and subsequent Great Recession.
- Emotionally, feelings of negativity (62%) are at the highest level since this rating was introduced in 2017, with a sense of anxiety (23%) dominating attitudes. Additionally, pessimism (14%) outweighs optimism (12%) for the first time.
- When it comes to where we live, rising house prices are forcing many of us to limit our options. Almost half (47%) of people in Ireland can't afford to live in their preferred community while 35% can't afford to live in the area they were raised.

The Reflecting Ireland research series was conducted in August 2022 among a nationally representative sample of 1,000 adults aged 18+ in the Republic of Ireland. Interviews were carried out between June 30th – July 14th 2022.

Ireland's strong community spirit

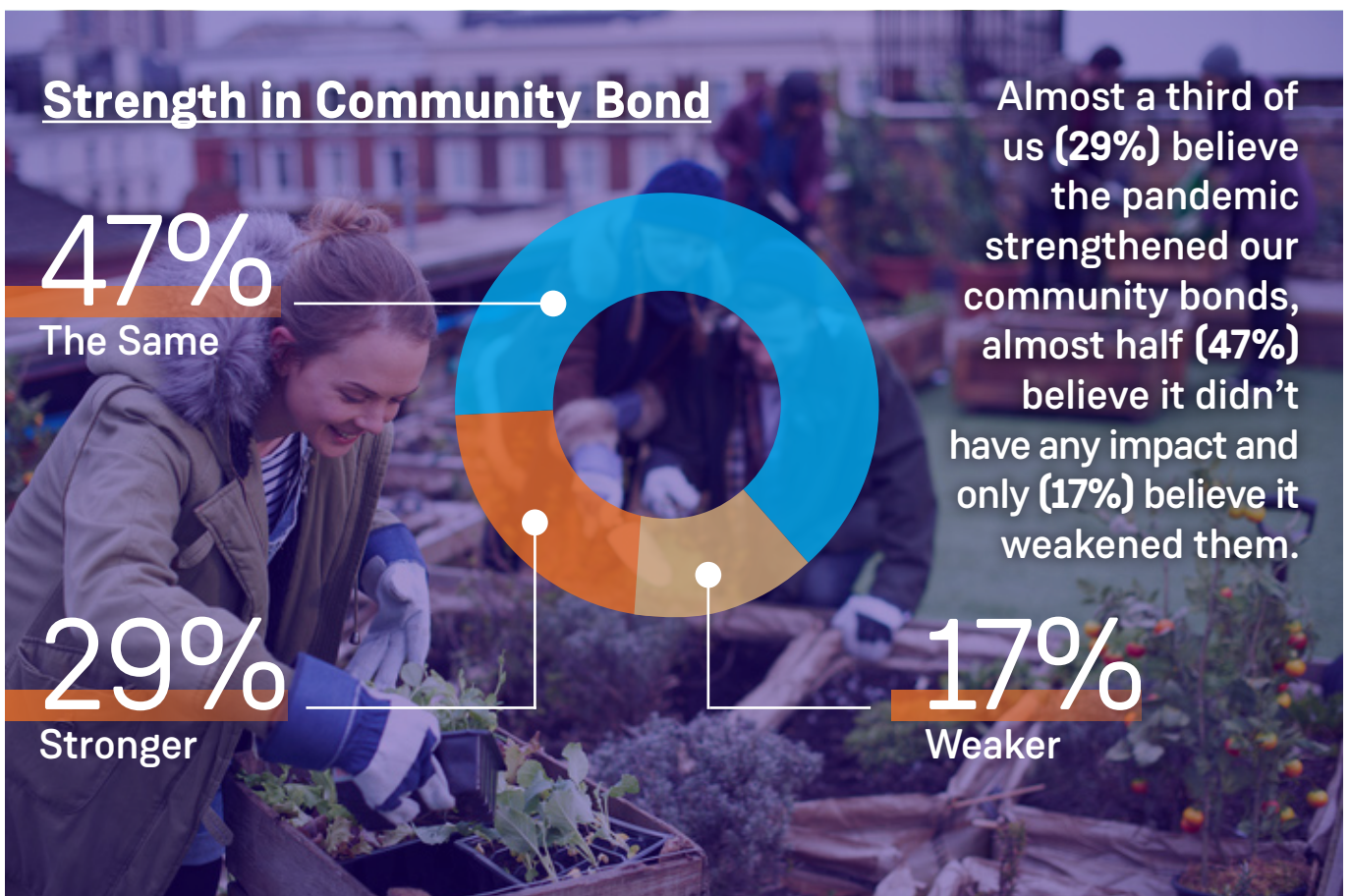
Ireland has a strong sense of community. The latest Organisation for Economic Cooperation and Development (OECD) Better Life Index ranks Ireland 3rd out of 41 countries on having a strong sense of community and a quality social support network *1. It points out that a strong social network, or community, can provide emotional support during both good and bad times as well as access to jobs, services and other opportunities.



“Community is much more than a place – it is built out of the feelings and relationships that are so vital to our wellbeing. Being part of a supportive, inclusive, and capable community promotes mental, physical, and social wellbeing In such communities, residents and institutions can collectively improve the conditions in which they learn, play, work, and age, and they also have greater resilience to natural or other disasters”
– Community Science, 2015

Our sense of community has helped Ireland through tough times in the past. Over the long term, as Mark Henry observes “our deep community and family bonds encouraged mutual support for mutual benefit” *2. At a time of global upheaval, when other countries are seeing the corrosive effects of polarisation, Ireland benefits from a strong sense of community and a relatively high level of social cohesion.

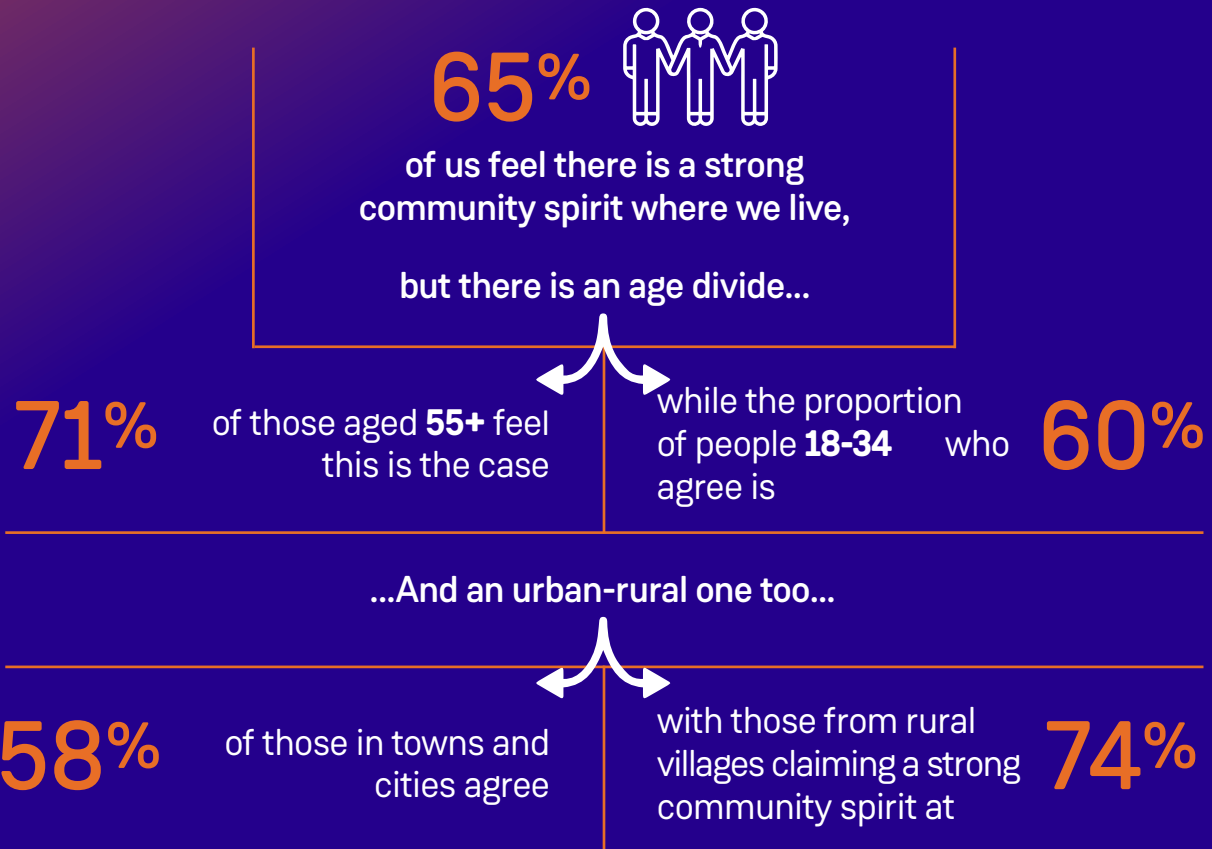
This was evident in our response to the pandemic. Across the country as lockdowns took hold, we rallied to support each other through isolation, looked out for the vulnerable, supported local businesses and stood in solidarity with those grieving lost loved ones.



Can community help us now?

We are now emerging from the shadow of the pandemic to face another challenge: the relentless rise in the cost of living and the economic uncertainty that it brings.

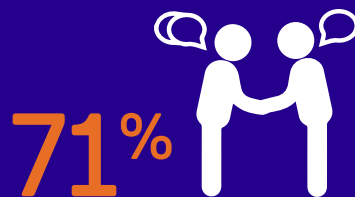
Will community spirit boost our resilience when we need it most? To answer that, we need to ask how strong our sense of community is today, and how solid a foundation it is built on.



For most of us (56%) community is about a sense of belonging, and the majority of us (60%) feel part of our community. We know our neighbours' names (71%), we feel children can play safely where we live (75%) and two thirds of us (66%) would like to live where we're living for a long time.



would like to live where we're living for long time.



of us know our neighbours names

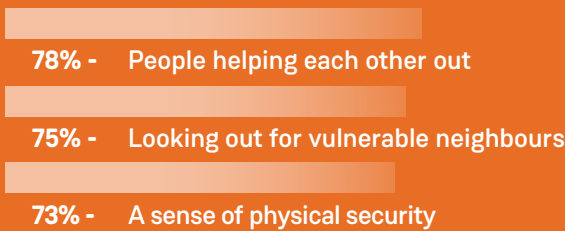


feel our children can play safely where we live

What makes a strong community... And what holds it back?

We believe the key to a strong community is people working together for mutual benefit, whether that's people helping each other out (78% agree), looking out for vulnerable neighbours (75%) or coming together around local issues (66%). A sense of physical security (73%) and of local identity (72%) are also important, as is having spaces to meet and socialise outdoors (68%).

What we believe makes a strong community

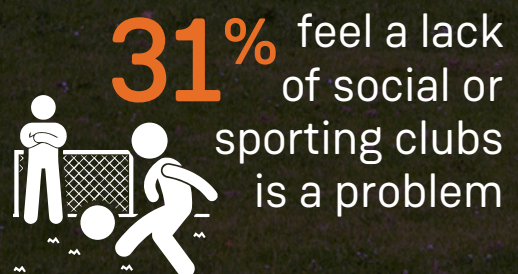


The things that typically get in the way of creating a strong sense of community are lack of time, a preference among some for privacy and a lack of communal spaces and local amenities. Three quarters (75%) believe the greatest barrier is that people are too busy. Two thirds (65%) believe people liking to keep to themselves gets in the way. Just under half (46%) believe a lack of communal spaces and local amenities acts as a barrier.

Barriers to creating a strong sense of community



Even less of a problem is the lack of social or sporting clubs – **that's endorsed by only 31%**, which points to the ubiquity of sporting outlets, especially GAA, in both rural and urban areas. Their value in propping up a sense of community is substantial.



Community amenities and the urban-rural divide

We all want to live in communities where we have access to quality facilities and services that allow us to survive and thrive.

The Good

As a country which prizes its natural beauty, access to parks and green spaces is highly rated, with 7 in 10 agreeing their availability is good or excellent where they live. For those with children, access to playgrounds and play areas is equally highly rated by those in towns and rural communities at 58%.

The universal community hub appears to be sports clubs, with very little divide between urban (66%) and rural areas (64%) when rating the availability of these facilities as good or excellent. Primary education is well-catered for across the country, with 77% of people saying the availability of primary schools is good or excellent – with identical approval among urban and rural dwellers.

However, the availability of facilities and infrastructure where people live shows a clear divide between town and country.

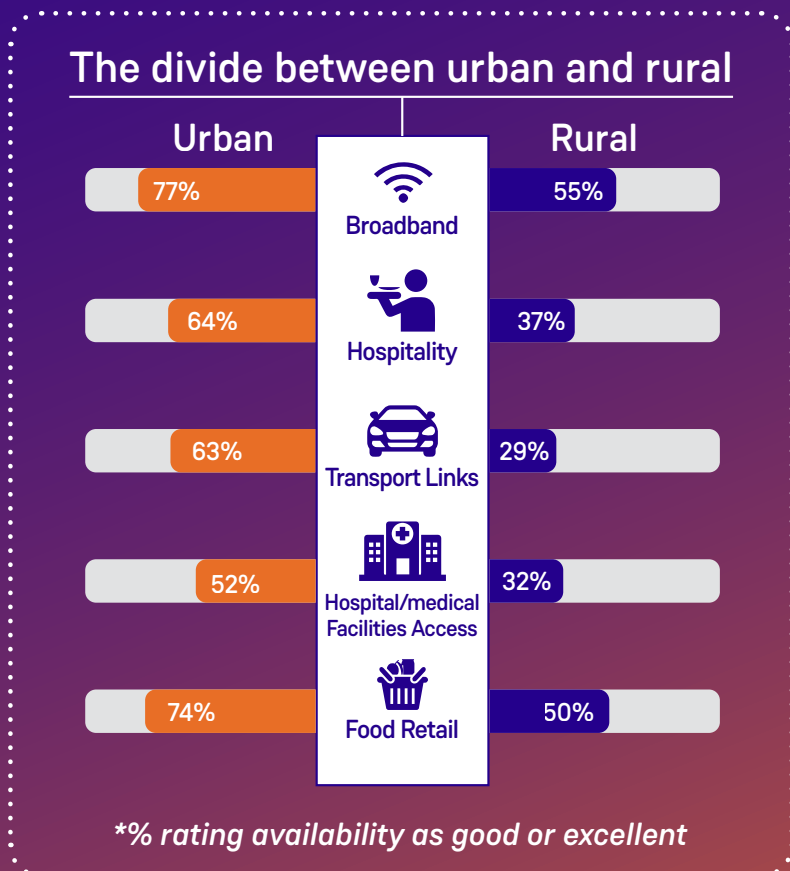
The Not So Good

Childcare is a common bugbear, with less than half (45%) suggesting such facilities are good or excellent in both urban and rural areas.

In the age of hybrid working, only a third (29%) rated access to remote working hubs positively, slightly higher among urbanites (32%) versus those in rural areas (23%).

Another area that could have room to improve is third-level education. Only 43% of people rate the availability of higher education in their area as good or excellent (50% in urban v 29% in rural areas).

Access to entertainment venues such as cinemas and theatres is well-rated by only 4 in 10 of us, with only 24% of those in rural areas and 49% in urban communities rating such facilities as good or excellent.

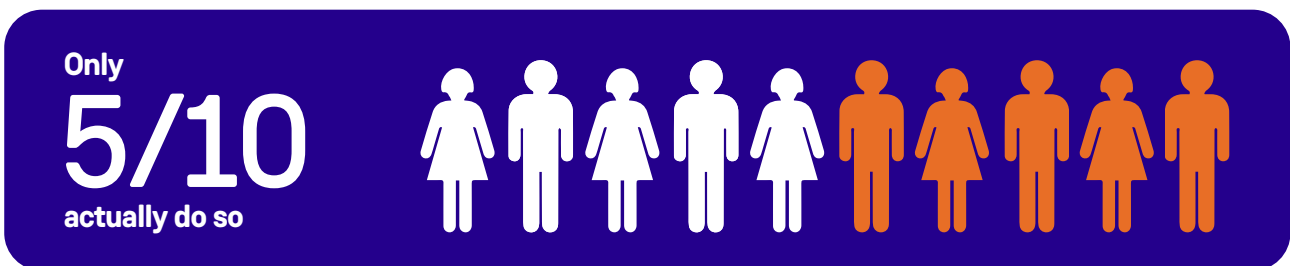


Fortunately, amenities don't fundamentally determine the quality of community. Despite all their evident privations, rural respondents believe that community is strongest where they live with 69% vs 24% for suburban residents saying the same for their area and 14% for city dwellers.

The intention-action gap

When we think of where we live, most of us (54%) believe we can count on people in our local community to get a local problem solved. This is three times as many as those who don't agree (18%).

However at an individual level, more of us feel we have no influence over what happens in our local community (40%) than do (28%). Could this be partly because many of us are not actively participating in our local communities? While 7 out of 10 of us (69%) recognise the importance of participating in our local community, only half of us (49%) actually do.



This may be because although we appreciate the benefits of community, we are happy for others to do the work. Alternatively it may come from an intention-action gap, where we intend on becoming more involved but struggle to get around to it.

There's certainly a sense that the pace of modern life can get in the way. Three quarters of us (75%) believe that being too busy is the greatest barrier to creating a strong sense of community.

Reciprocity – the secret to building a strong community

In behavioural science, reciprocity suggests if we behave in ways that benefit others, they will respond in kind. In the context of our local community, the more we give the more we get back. The more we participate, and the more of us that participate, the stronger the community becomes and the more we all reap the rewards.

Coming up, we explore three different behaviours that support the local community.



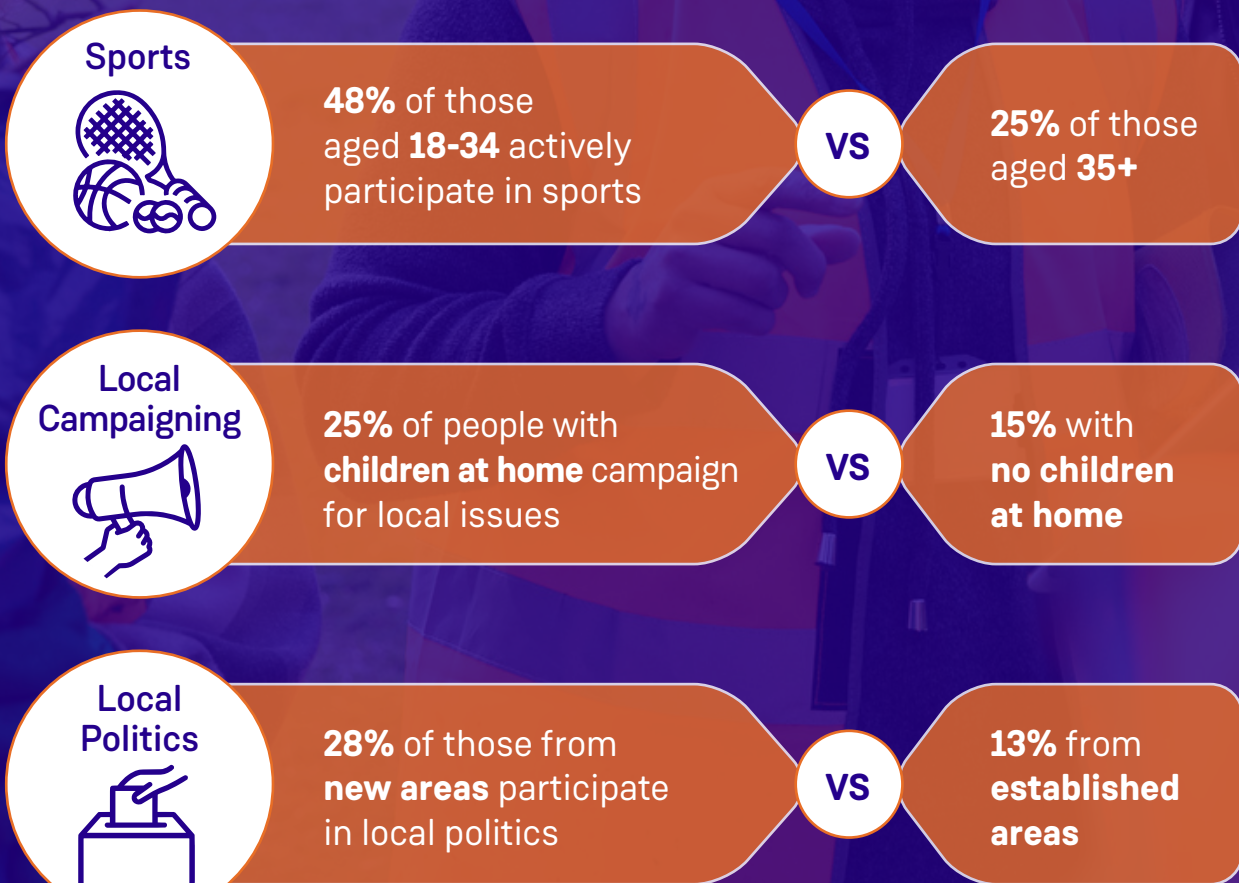
The importance of participation in community

Those that actively participate in their local community are more likely than others to feel there is a strong community spirit where they live; 70% vs. 64%. The effect is stronger among those that volunteer; 73% vs. 64%. People that actively participate in their local community are also more likely than others to feel part of their community, 66% vs. 60%. Again the effect is stronger among those that volunteer; 71% vs. 60%.

Younger people, those with children and those living in new areas are more likely to actively participate or volunteer than others.

1. Active Participation

A third of Irish adults (32%) participate in sport, the most popular form of local community participation. That reaffirms the central role sport plays in community experience and identity. Campaigning for local issues and participation in local politics are also popular choices at 18% and 16% respectively. Participating in clubs or associations for specific groups – youth, parents or the retired – are the next most popular ranging from 13% to 16%.



*a new area is an estate or apartment complex that is less than 10 years' old

2. Volunteering

Volunteers are the lifeblood of our communities. Over a quarter of Irish adults volunteer to raise funds (27%) or at sports clubs (26%). Over one in five volunteer to keep the local area clean, tidy and safe; 22% participate in Tidy Towns, 21% in a Neighbourhood Watch scheme and 21% in a residents' association. One in five volunteers at their local church (20%) and almost as many for local charities (18%). Fourteen per cent volunteer in local youth clubs or political groups.

Certain groups are more likely to volunteer for particular activities than others. Men are more likely to volunteer for sports clubs (31%) compared to women (22%). Those aged 65+ are more likely to participate in residents' associations (30% vs. a national average of 21%).

Those living in new or relatively new areas (estates or apartment complexes less than 10 years old) are more likely to volunteer in the local community than those living in more established areas. Residential longevity is not really one of the preconditions for community: although 2/3 say they would like to live here for a long time, there is low endorsement of the idea that new neighbourhoods interfere with the development of community. This may reflect a heightened sense of the need to create a sense of community in a new area.



*a new area is an estate or apartment complex that is less than 10 years' old

3. Support for local business

Local businesses are at the heart of our communities, creating jobs, generating income and contributing to the local economy. Of all the ways to get involved in the local community, supporting local businesses seems to be the most popular. Almost three quarters (73%) agree it is important to support local if we want our communities to be vibrant places to live.

Support for local businesses was widespread during lockdown, as their dependence on local support for survival became evident. Eight out of 10 (79%) say they supported businesses in their local community more during the pandemic. That goodwill remains intact, with over 9 out of 10 (93%) saying they will continue to support businesses in their local community all or some of the time.

8/10

supported local businesses during the pandemic



3/4

agree it is important to support local

9/10

say they will continue to do so

The pressure to make ends meet will challenge loyalty to local. For some, supporting local is conditional on value. Although almost two-thirds (63%) say they support local businesses wherever they can even if it means spending a bit more, there is evidence that low prices may tempt people away from local businesses. Seventy percent believe people generally follow low prices, and a similar proportion (69%) say price determines where they buy.

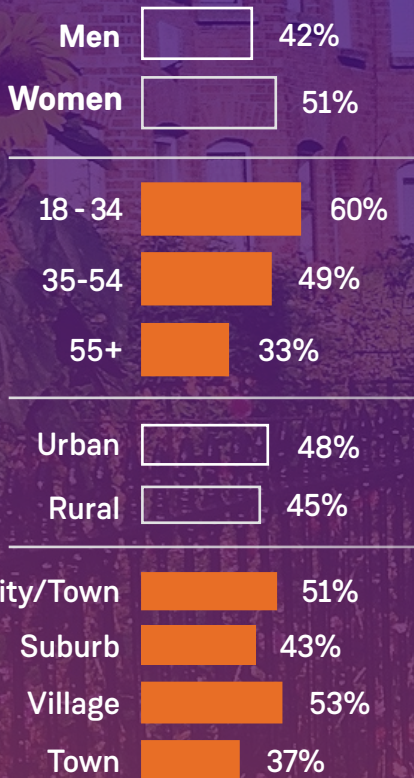
Housing affordability and choice

We can't talk about community without considering the wider issue of rising house prices and affordability. When it comes to choosing where we call home, the reality of the housing market is clearly having a significant impact. Unsurprisingly, age is a distinguishing factor with younger people having a more limited range of options.



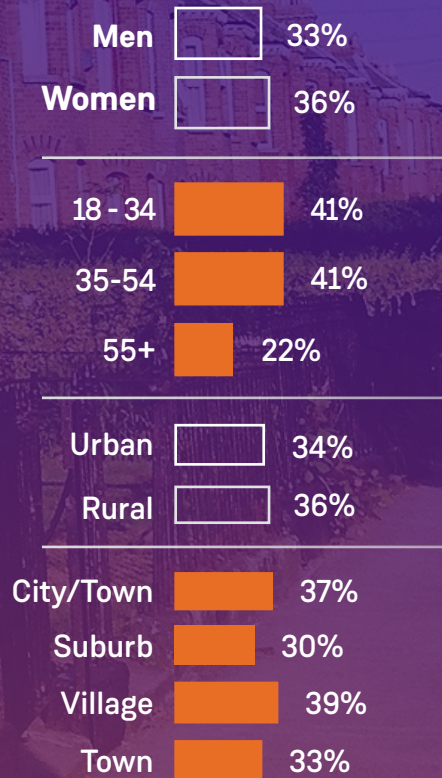
47%

of people say they can't afford to live in their preferred area



35%

say they can't afford to live where they grew up



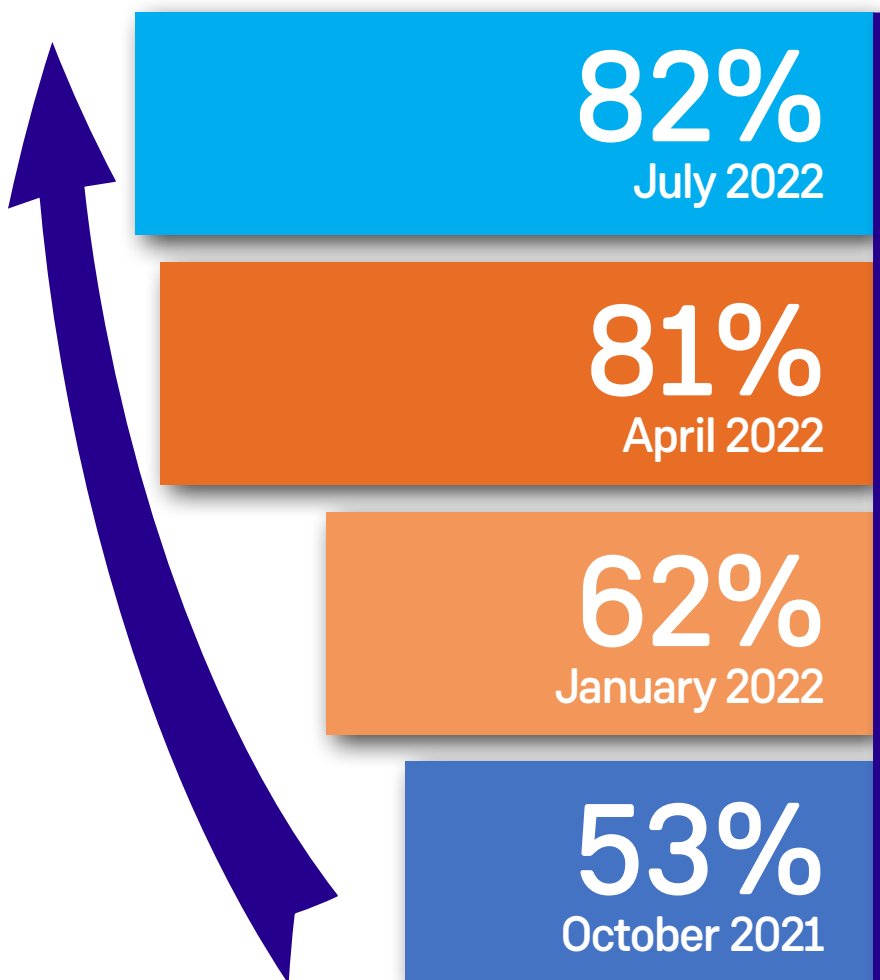
Our Personal Finances

Cost of living continues to dominate

Consumers are deeply pessimistic. Negativity towards our personal finances continues to rise, albeit at a slower pace than previously – nearly six in ten (59%) feel they are worse off compared to this time last year, with one in four stating their finances are holding steady. The deficit in sentiment is at a nine-year high – we are nearly four times as likely to be downbeat than upbeat.

Looking to the future, our financial prospects are becoming even more precarious. Half the population feel they will be less well-off over the next 12 months. This negativity has more than doubled since the turn of the year when only 22% of people felt this way. The increasing cost of living is beginning to bite more, and the contagion first seen in energy prices has spread to other areas of the economy.

Cost of living concerns rise over time



* % of people who said cost of living is one of their top concerns

The inflationary crisis appears to have spread to all sectors of society.

47% of higher-income individuals, who might otherwise be more insulated from price rises, expect to be worse off this time next year. This was 34% three months ago.

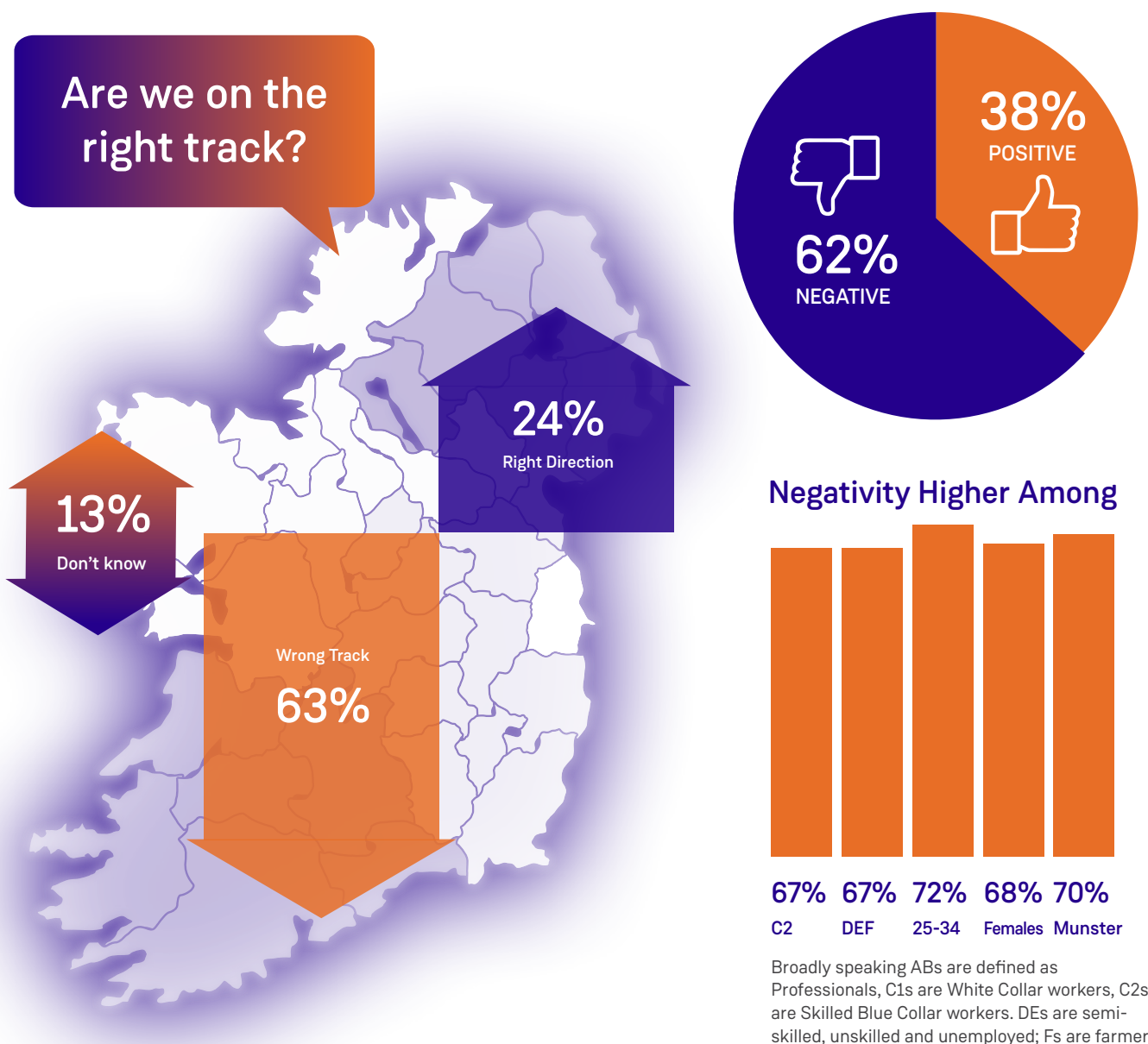
Macroeconomic Consumer Sentiment

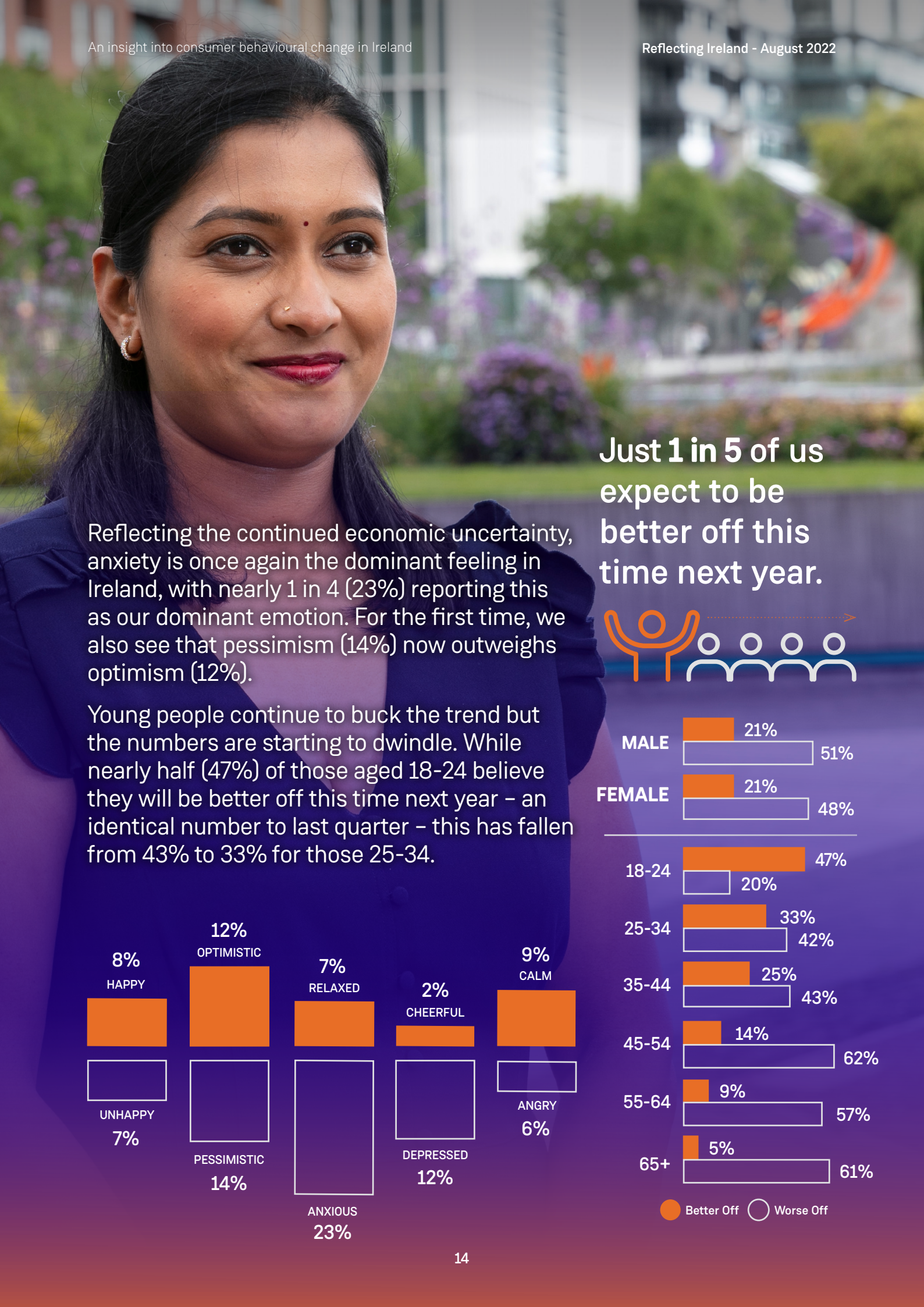
Examining consumer sentiment on a broader level

Only 1 in 4 (24%) people in Ireland believe the country is moving in the right direction. This continues to take a toll on the population, with feelings of negativity rising from 56% to 62% in three months. Additionally, pessimism (14%) outweighs optimism (12%) for the first time.

Worryingly, 2 in 3 (67%) believe that Ireland’s economic situation is going to get worse over the next 12 months, with only 1 in 10 (11%) taking the opposite view. These levels have not been seen since the aftermath of the banking crash and subsequent Great Recession.

With already-soaring energy costs bringing distress to more household finances, the potential shock of even higher prices, combined with more intensive gas and electricity use in the winter months, will concern many of us.

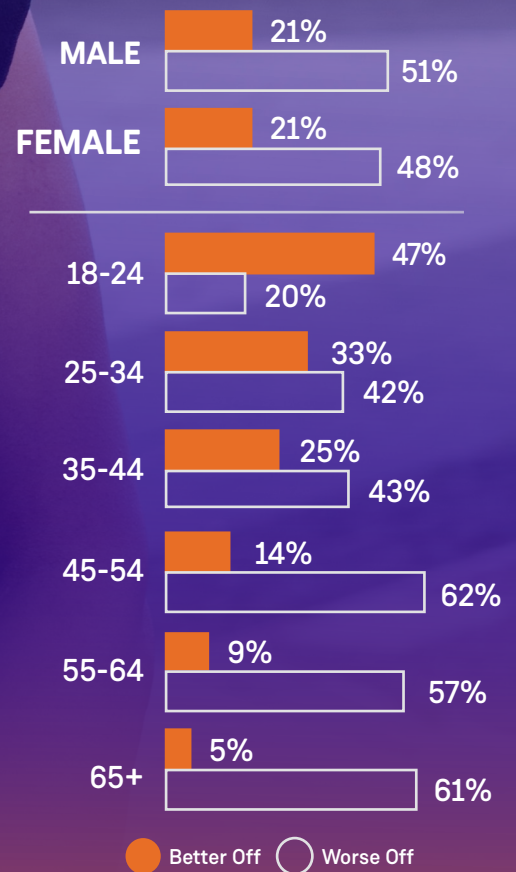
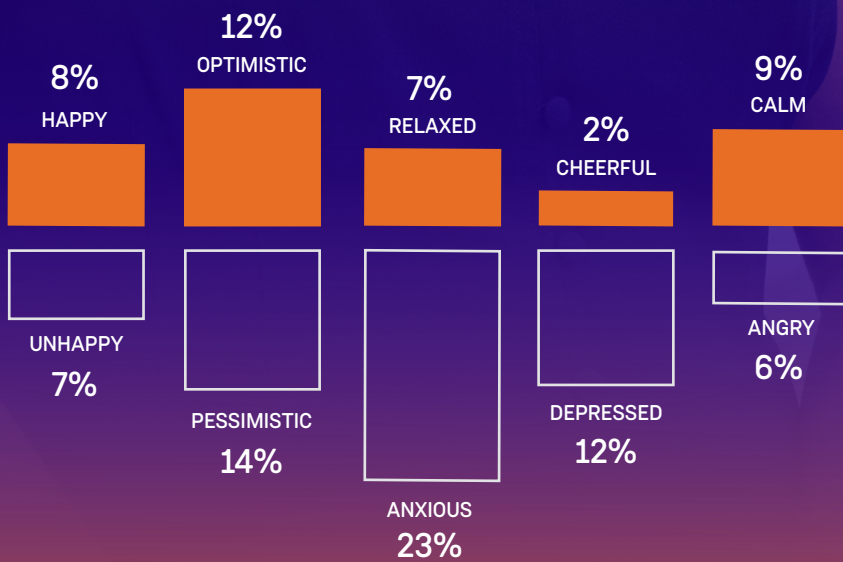




Just 1 in 5 of us expect to be better off this time next year.

Reflecting the continued economic uncertainty, anxiety is once again the dominant feeling in Ireland, with nearly 1 in 4 (23%) reporting this as our dominant emotion. For the first time, we also see that pessimism (14%) now outweighs optimism (12%).

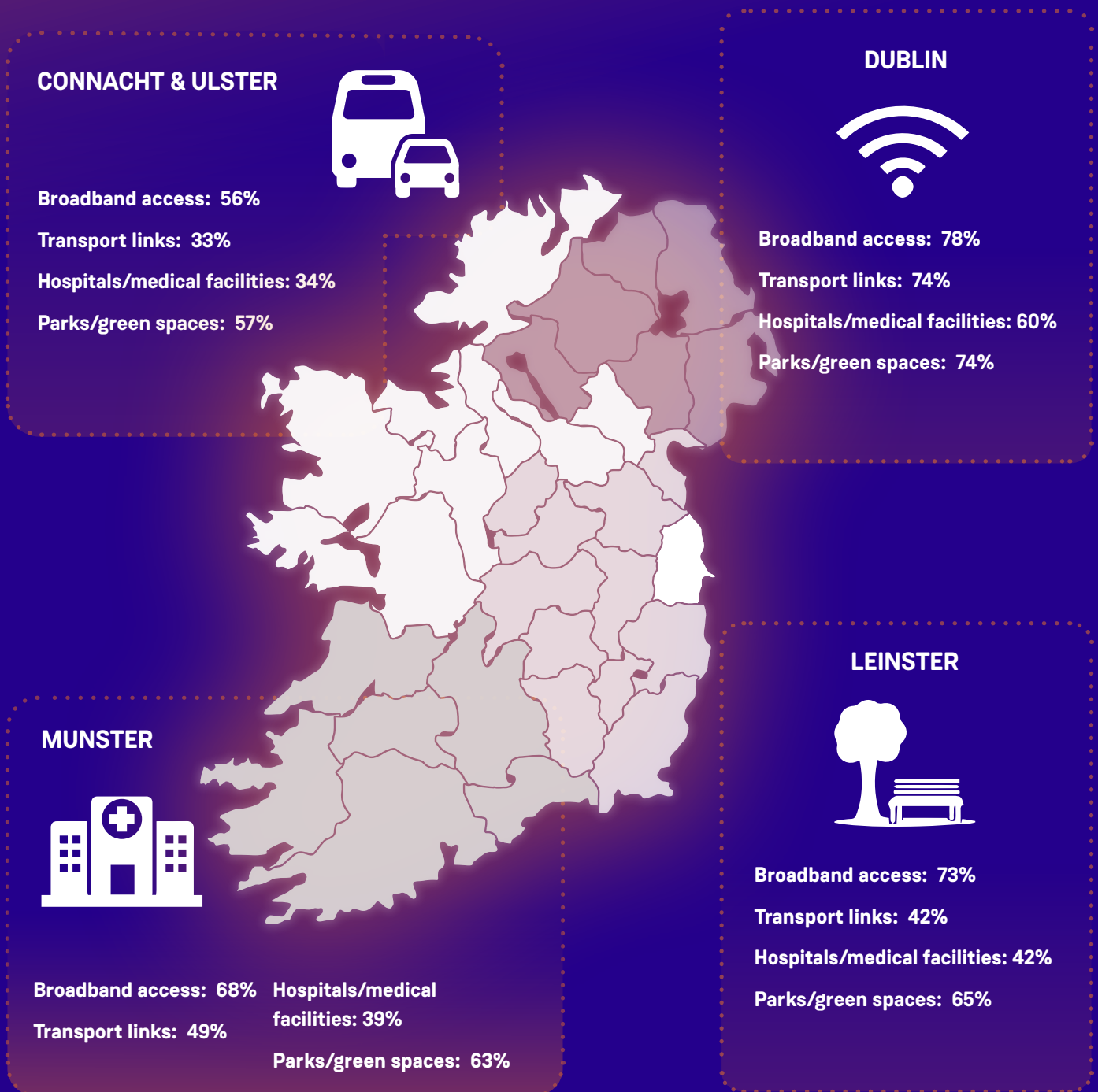
Young people continue to buck the trend but the numbers are starting to dwindle. While nearly half (47%) of those aged 18-24 believe they will be better off this time next year – an identical number to last quarter – this has fallen from 43% to 33% for those 25-34.



Reflecting the Nation

A Regional Look at Community Essentials

The national picture for the availability of certain services and amenities suggests a population that is broadly complimentary. However, we can see a disparity when we take a deeper look. In these instances, Dublin is quite well provided for while other regions of Ireland fail to reach the same levels of satisfaction.



Methodology

Permanent TSB and Kantar's Reflecting Ireland research series looks at how consumer behaviour is changing in Ireland.

Our fifth report focuses on our attitudes towards community. Inside, we find out how people understand community, what they think makes it stronger or weaker, what steps they take to participate and why they consider it important.

- 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 were carried out between June 30th – July 14th 2022.
- Data weighted to reflect the adult population aged 18+.
- The margin of error for this research is +/- 3.1%.

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2. Henry, M., 2021. In Fact: An Optimist's Guide to Ireland at 100. Gill & Macmillan Ltd.

