

Funding the Future

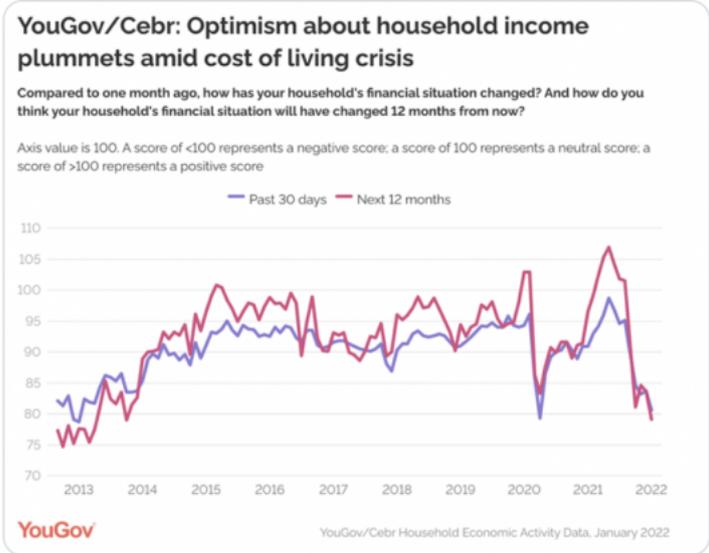
The word on the Mile End Road is that recession is comi...

Published: January 15, 2026, 12:48 pm

Reuters UK economic correspondent noted this yesterday on Twitter::

Andy Bruce @BruceReuters
🌟 Confidence in household finances among British consumers fell last month to its lowest level since 2013, according to the latest YouGov/Cebr survey 📉

#inflation #tax



11:06 AM · Feb 9, 2022 · Twitter Web App

He also noted:

Andy Bruce @BruceReuters · 21h
Replying to @BruceReuters

Their broader measure of consumer confidence fell to its lowest since March last year - would have been more were it not for the fact the survey (of about 6,000 people) includes questions on home values.

YouGov/Cebr Consumer Confidence Index

Axis value is 100. A score of <100 represents a negative score; a score of 100 represents a neutral score; a score of >100 represents a positive score

Year	Consumer Confidence Index
2013	~105
2014	~110
2015	~115
2016	~115
2017	~115
2018	~115
2019	~115
2020	~115
2021	~115
2022	~105

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In response my fellow Mile End Road economist, Danny Blanchflower noted:



Danny explains [why in this video](#), which annoyingly will not embed here.

The point Danny makes, which he elaborates in the video, is a very simple one. It is backed up by a great deal of his research data. It is that, as he notes in the tweet, consumer sentiment is by far the best predictor of economic downturn. Nothing else comes remotely close to its ability to predict such events.

Right now in both the USA and the UK evidence is very clear that consumer confidence is evaporating very quickly. This is usually a very strong indication of recession starting within six months of the event happening. Give it until August in that case.

This is precisely why both Danny and I suggest that there will have to be major changes in the Bank of England's policy towards interest rates and QE by early autumn, at the latest.

However, by then, the failure to understand this will have already caused considerable damage.

The simple reality is that consumers, who are not protected from the reality of life in the way that members of the Bank of England Monetary Policy Committee are, have a much greater capacity to forecast economic downturn than that committee does. It is just a shame that we do not listen to them a little more.