

# Funding the Future

## The data is clear: the UK is heading for a recession if...

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As the [FT has noted this](#) morning:

*UK consumer confidence has fallen to its lowest level since records began nearly 50 years ago as surging inflation hits households' finances and the wider economy.*

The chart is clear:



And the trend is backed up by data from the ONS [who note this morning](#) that:

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*Retail sales volumes fell by 0.5% in May 2022 following a rise of 0.4% in April 2022 (revised from a rise of 1.4%); sales volumes were 2.6% above their pre-coronavirus (COVID-19) February 2020 levels.*

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*In the three months to May 2022, sales volumes fell by 1.3% when compared with the previous three months; this continues the downward trend since summer 2021.*

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*The fall in sales volumes over the month was because of food stores, which fell by 1.6%; reduced spending in food stores seems to be linked to the impact of rising food prices and the cost of living.*

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*Automotive fuel sales volumes rose by 1.1% in May 2022, which may in part be linked to increased hybrid working and a fall in those working exclusively from home.*

\*

*Non-food stores sales volumes were unchanged (0.0%) over the month; an increase in clothing sales (2.2%) was offset by a fall in household goods (negative 2.3%), such as furniture stores, and department stores (negative 1.1%).*

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*The proportion of retail sales online fell to 26.6% in May 2022 from 27.1% in April but remains substantially higher than the 19.7% in February 2020 before the coronavirus pandemic.*

The chart is compelling here as well:

**Figure 1: Retail sales volumes continue a downward trend since summer 2021**

Volume sales, seasonally adjusted, Great Britain, May 2019 to May 2022



The message is very clear, and is that the UK is heading for if it is not already in recession. The official denial on this issue no longer stacks. People know what is happening. Now we need to plan for the consequences.