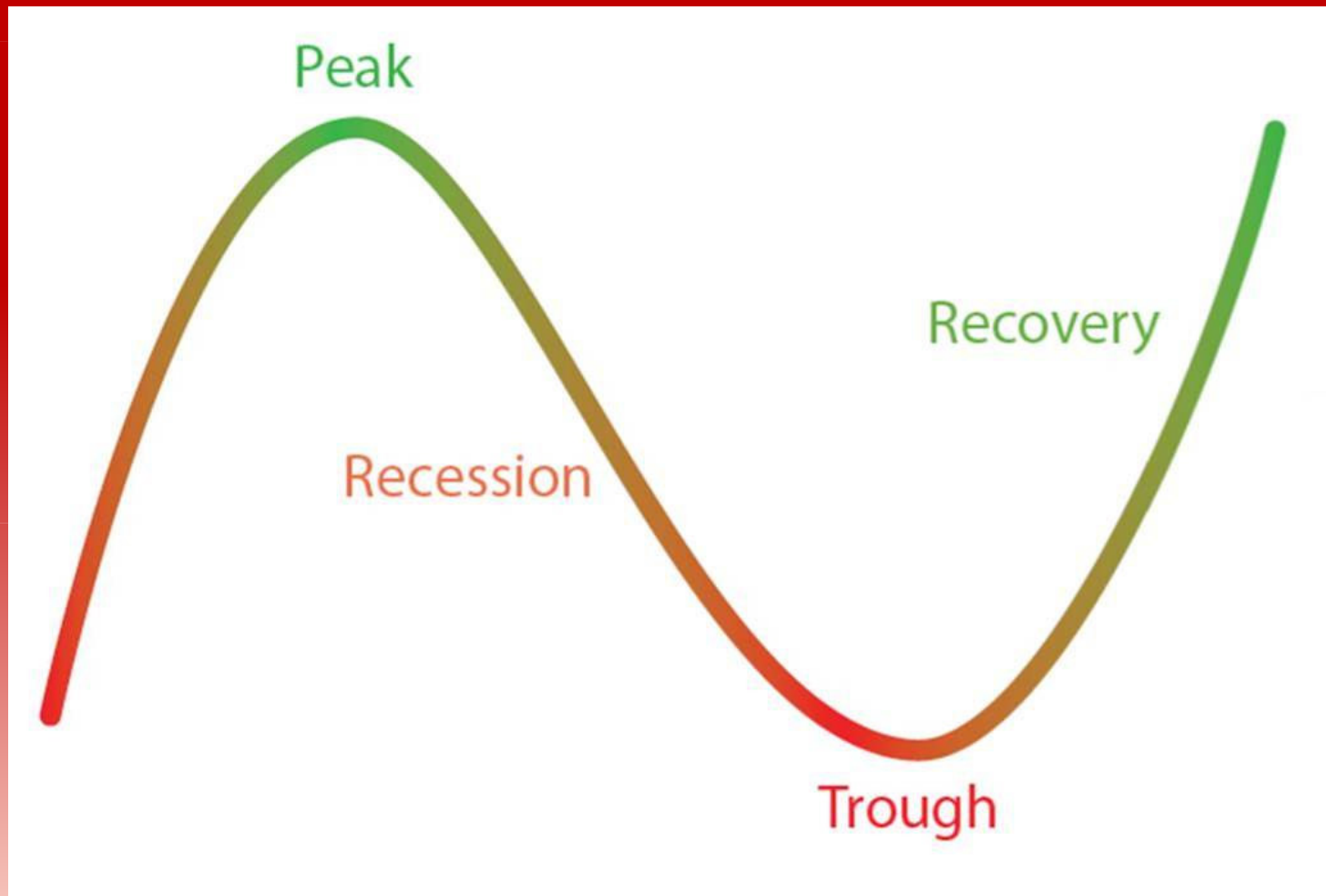


The Economic Recovery Index

An Amárach Research Briefing

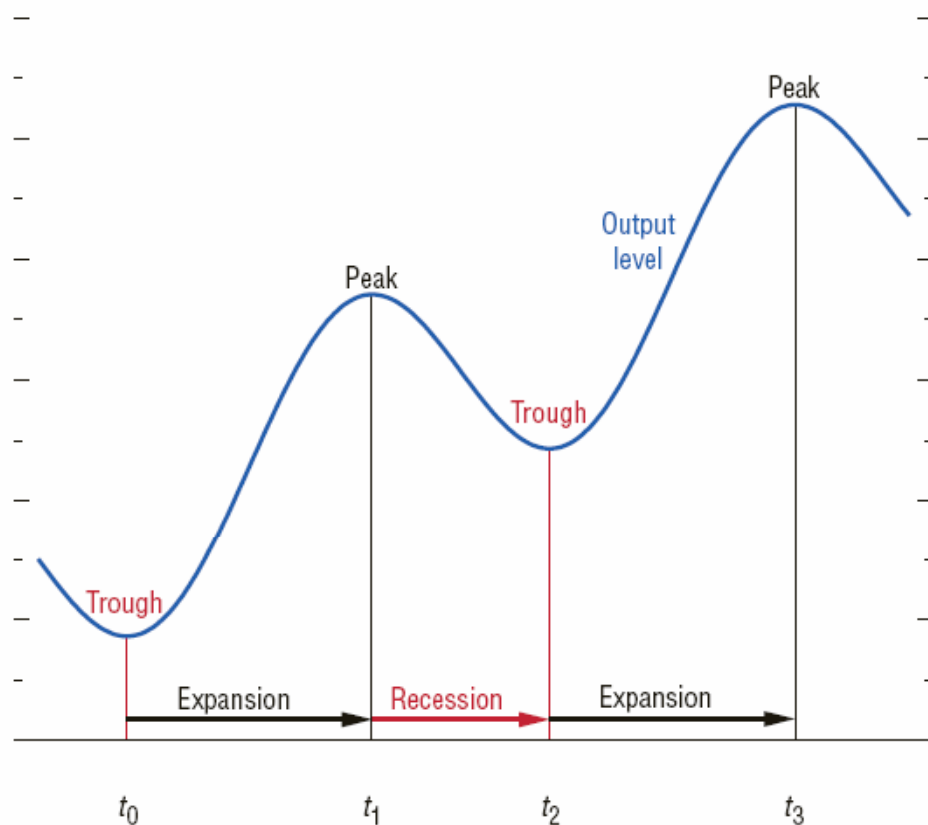
July 2009



Timing Recovery

Business Cycle Peaks & Troughs

Each cycle has two phases: a recession phase (from peak to trough) and an expansion phase (from trough to the next peak).



Source: IMF staff calculations.

- All recessions end in recovery – so will this one
- The biggest forecasting challenge is timing: when do we know the recession is over and recovery has started?
- Amárach Research has developed the **Economic Recovery Index** to help us track the economic cycle more closely
- This report summarises the **ERI** results for April to June 2009

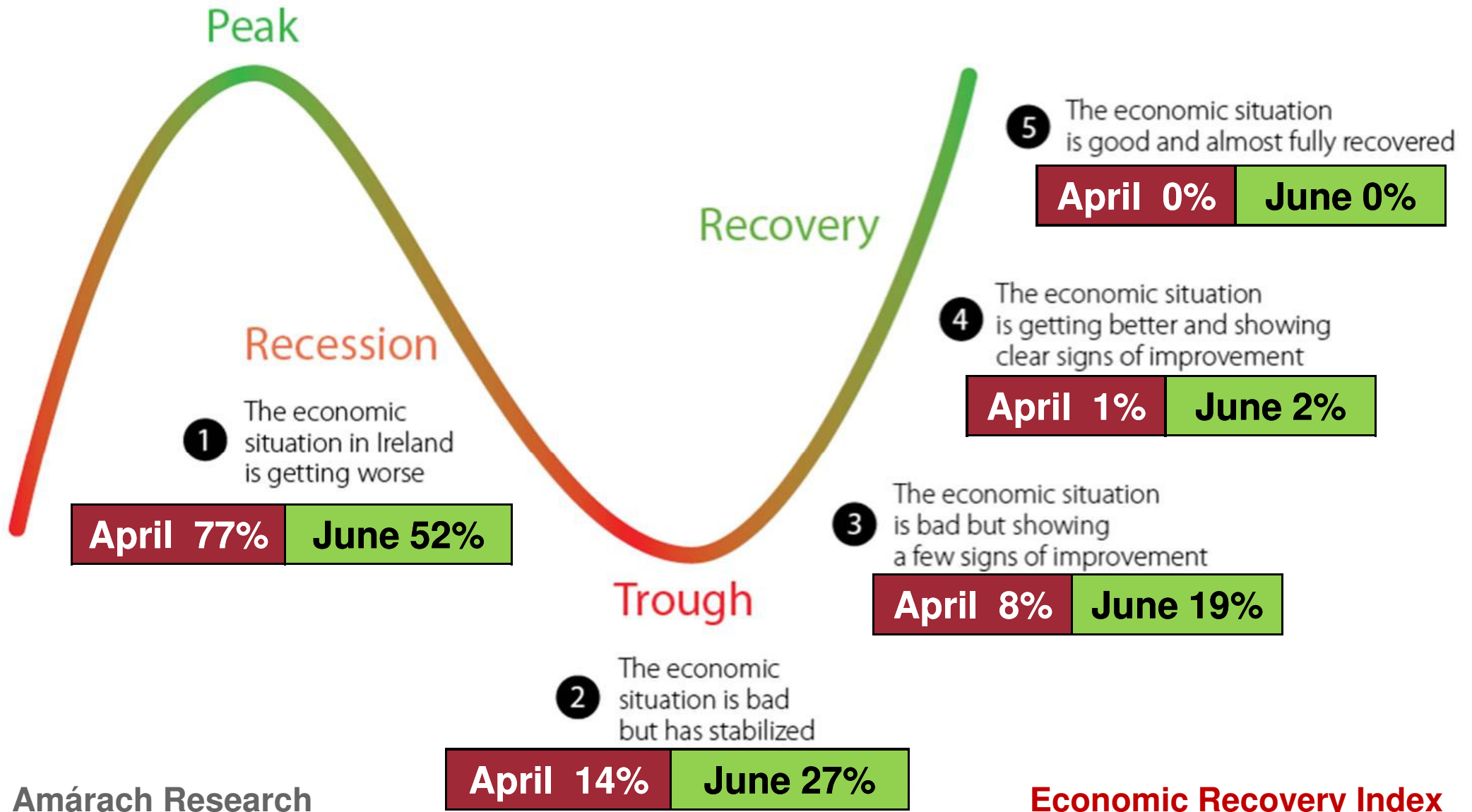
A Matter of Measurement

- Every month we survey 1,000 adults online and ask them to tell us which statement 'best describes the economic situation in Ireland right now'
- Each statement corresponds to a different *stage* in the economic cycle



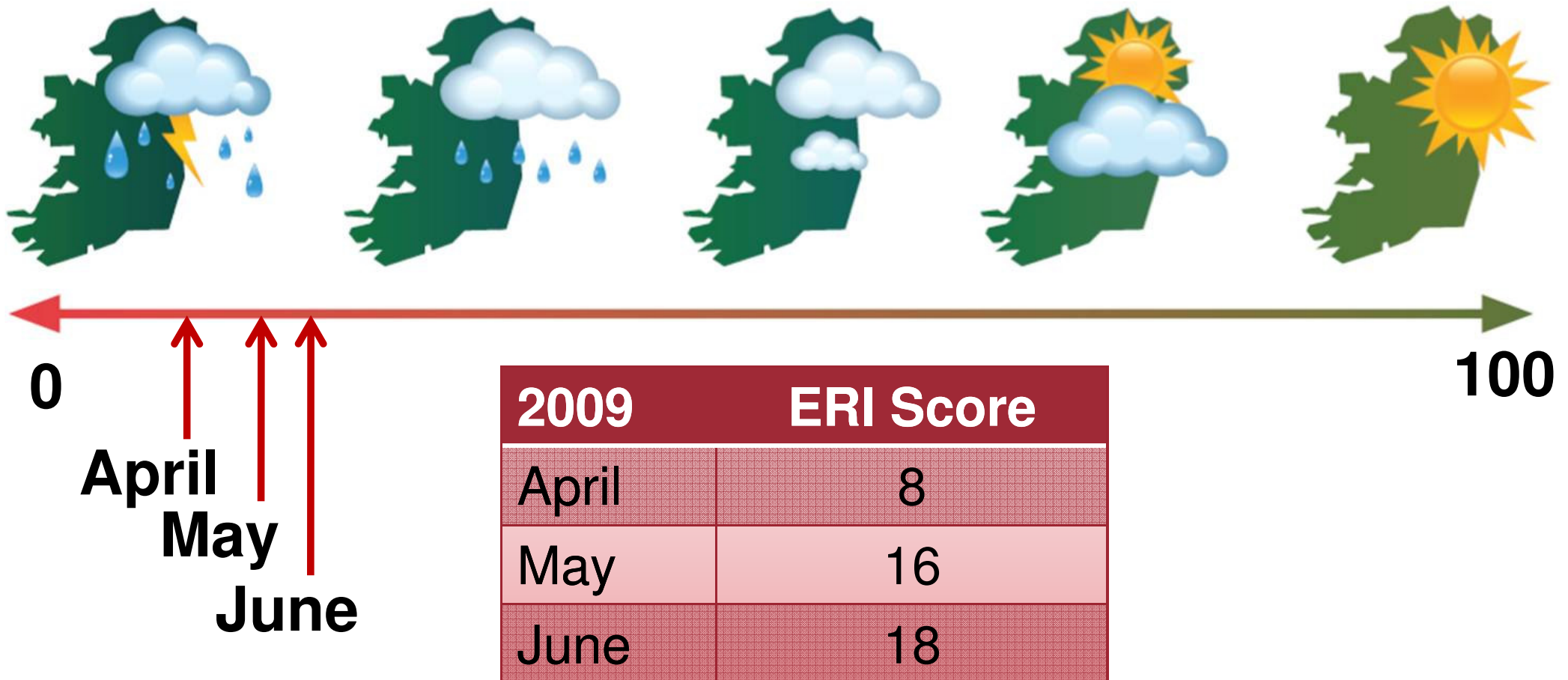
A Matter of Measurement

- There was a significant increase in the percentage of adults who feel that the economic situation in Ireland has stabilised or improved in June



Economic Recovery Index

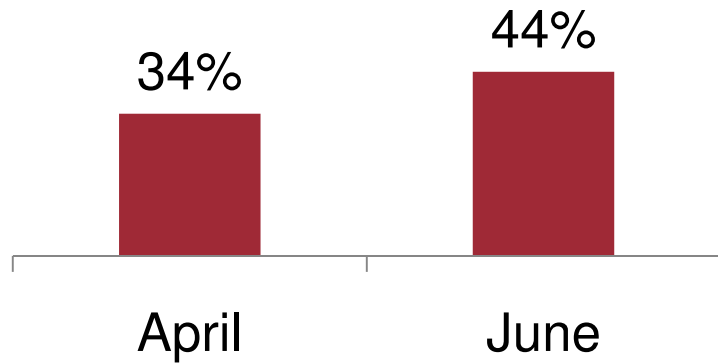
- Using the answers to the survey we have created the Economic Recovery Index, which ranges from 0 to 100 (0 = worsening recession; 100 = back to peak)
- The ERI improved significantly between April and May, and again in June



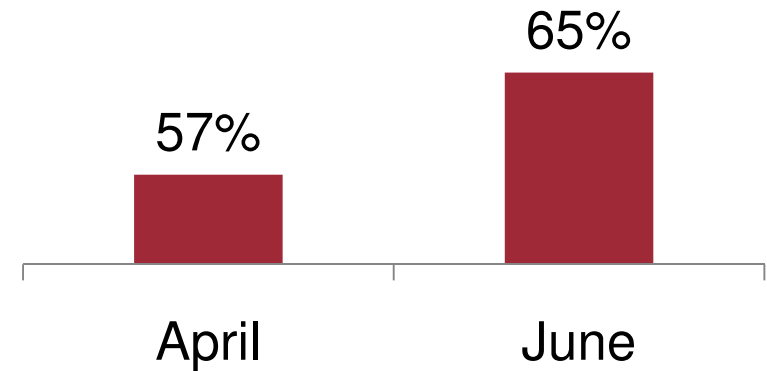
Other Indicators

Percentage of adults agreeing with each statement in April and in June 2009

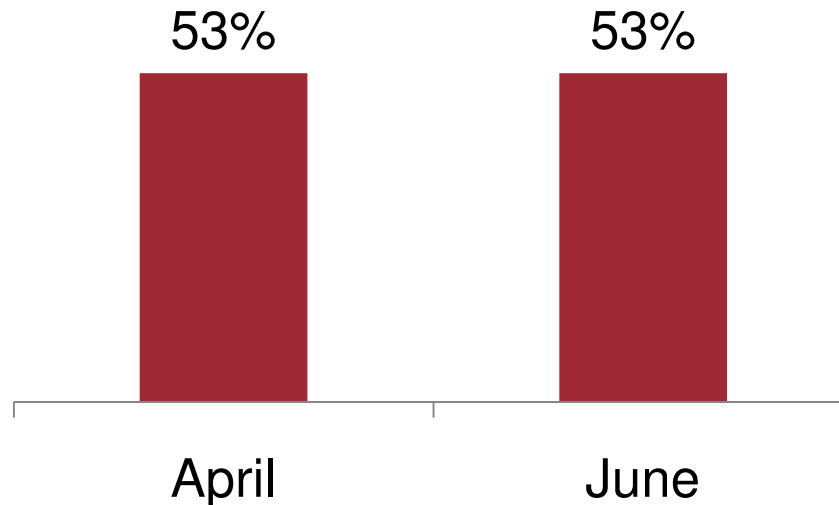
Ireland will be through the worst of the recession in 12 months time



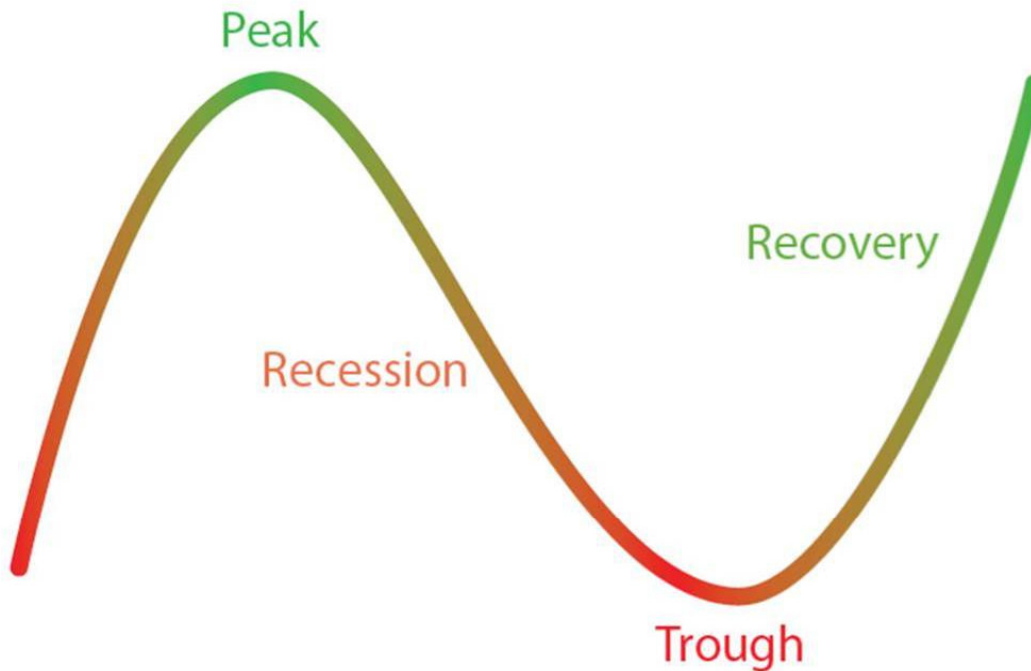
I am optimistic in spite of the current economic situation



Now is a good time for young people to buy their first home



About Amárach



- Amárach Research is a full service market research company
- The questions for the **Economic Recovery Index** are run on our monthly online omnibus survey of 1,000 adults
- Keep up with Amárach's thinking by subscribing to our free fortnightly ezine – **Consumer Foresight** – and by visiting our blog
- More information at: www.amarach.com

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