Online Appendix
Maze-Runners: Sentiment and Bank Deposit Growth: Evidence from the UK

Appendix 1: Sample questions of sectors surveys

1- Consumer confidence indicator(Household Sentiment

Q. How has the financial situation of your household changed over the last 12 months?

1. Got a lot better
2. Got a little better
3. Stayed the same
4. Got a little worse
5. Got a lot worse
6. Don't Know

Q. How do you expect the financial position of your household to change over the next 12 months? It will. . .

1. Get a lot better
2. Get a little better
3. Stay the same
4. Get a little worse
5. Get a lot worse
6. Don't Know

Q.How do you think the general economic situation in this country has changed over the past 12 months? It has. . .

1. Get a lot better
2. Get a little better
3. Stay the same
4. Get a little worse
5. Get a lot worse
6. Don't Know

Q. How do you expect the general economic situation in this country to develop over the next 12 months? It will . . .

1. Get a lot better
2. Get a little better
3. Stay the same
4. Get a little worse
5. Get a lot worse
6. Don't Know

Q. How do you think consumer prices have developed over the last 12 months? They
have . . .

1. Risen a lot
2. Risen moderately
3. Risen slightly
4. Stayed about the same
5. Fallen
6. Don't Know

Q. In comparison with the past 12 months, how do you expect consumer prices will
develop in the next 12 months? They will. . .

1. Increase more rapidly
2. Increase at the same rate
3. Increase at a slower rate
4. Stay about the same
5. Fall
6. Don't Know

Q. How do you expect the number of people unemployed in this country will change
over the next 12 months? The number will . . .

1. Increase sharply
2. Increase slightly
3. Remain the same
4. Fall slightly
5. Fall sharply
6. Don't Know

Q. In view of the general economic situation, do you think now is the right time for
people to make major purchases such as furniture or electrical goods?

1. Yes, now is the right time
2. It is neither the right time nor the wrong time
3. No, it is the wrong time
4. Don't Know

Compared to the last 12 months, do you expect to spend more or less money on major
purchases such as furniture and electrical goods? I will spend . . .

1. Much more
2. A little more
3. About the same

4. A little less

5. Much less

6. Don't Know

Q. In view of the general economic situation, do you think that now is?

1. A very good time to save

2. A fairly good time to save

3. Not a good time to save

4. A very bad time to save

5. Don't know

Q. Over the next 12 months, how likely will you be to save any money?

1. Very likely

2. Fairly likely

3. Not likely

4. Not at all likely

5. Don't know

Q. Which of these statements best describes the current financial situation of your household?

1. We are saving a lot

2. We are saving a little

3. We are just managing to make ends meet on our income

4. We are having to draw on our savings

5. We are running into debt

6. Don't know

The following questions are asked in July, Oct, Jan April

Q. How likely are you to buy a car over the next 12 months?

1. Very likely

2. Fairly likely

3. Not likely

4. Not at all likely

5. Don't know

Q. Are you planning to buy or build a home over the next 12 months (to live in yourself, for a member of your family, as a holiday home, to let etc.)?

1. Yes, definitely

2. Possibly

3. Probably not

4. No

5. Don't Know

Q. How likely are you to spend any large sums of money on home improvements or renovations over the next 12 months?

1. Very likely

2. Fairly likely

3. Not likely

4. Not at all likely

5. Don't know

Basic Data Question

Q. Could you tell me the total annual income of your household? I have very broad ranges.

1. Under £14,499

2. £14,500 - 24,999

3. £25,000 - 34,999

4. £35,000 - 49,999

5. £50,000 +

6. Don't know/ Refused

2- Industry confidence indicator

Q. Are you more, or less, optimistic than you were three months ago about the general business situation in your industry?

1. more

2. same

3. less

Q. Are you more, or less, optimistic about your export prospects for the next twelve months than you were three months ago?

1. more

2. same

3. less

4. n/a

Q. Do you expect to authorise more or less capital expenditure in the next twelve months than you authorised in the past twelve months on buildings:

1. more

2. same

3. less

4. n/a

Q. Do you expect to authorise more or less capital expenditure in the next twelve months than you authorised in the past twelve months on plant and machinery:

1. more

2. same

3. less

4. n/a

Q. Is your present level of output below capacity (ie are you working below a satisfactory full rate of operation)?

1. yes

2. no

4. n/a

Q. Excluding seasonal variations, do you consider that in volume terms, your present total order book is :

1. more than normal

2. normal

3. less than normal

4. n/a

Q. Excluding seasonal variations, do you consider that in volume terms, your present export order book is :

1. more than normal

2. normal

3. less than normal

4. n/a

Q. Your present stocks of finished goods are:

1. more than adequate

2. adequate

3. less than adequate

4. n/a

Q. Excluding seasonal variations, please indicate the expected trend over the next three months with regard to average selling prices at which domestic orders/sales are booked

1. up

2. same

3. down

4. n/a

Q. Excluding seasonal variations, what has been the trend over the past three months and what are the expected trends over the next three months with regard to volume of output

1. up

2. same

3. down

4. n/a

3- Services confidence indicator

Q. Are you more, or less, optimistic than you were three months ago about the general business situation in your sector?

1. more

2. same

3. less

Q. Excluding seasonal variations, do you consider that in value terms, your present level of business is:

1. above normal

2. normal

3. below normal

Q. Excluding seasonal variations, what has been the trend over the past three months and what are the expected trends for the next three months:

1. up

2. same

3. down

4. n/a

Q. Excluding seasonal variations, what has been the trend over the past three months and what are the expected trends for the next three months with regard to the value of business with customers in the UK market:

1. up

2. same

3. down

4. n/a

Q. Excluding seasonal variations, what has been the trend over the past three months and what are the expected trends for the next three months with regard to average selling prices:

1. up
2. same
3. down
4. n/a

Q. Excluding seasonal variations, what has been the trend over the past three months and what are the expected trends for the next three months with regard to numbers employed:

1. up
2. same
3. down
4. n/a

Q.Do you expect to authorise more or less capital expenditure in the next twelve months than you authorised in the past twelve months on information technology :

1. up
2. same
3. down
4. n/a

4- Retail trade confidence indicator

Q. How do your sales and orders for this month and your expectations for the next month compare with those in the same month a year ago?

1. up
2. same
3. down
4. n/a

Q. What is the position with regard to your volume of sales, for the time of year

1. good
2. average
3. poor
4. n/a

Q. Over the next three months, do you expect your overall business situation to:

1. improve

2. remain stable

3. Deteriorate

Q. How do you expect your average selling prices to change over the next three months? (please exclude seasonal variations)

1. up

2. same

3. down

4. n/a

Q. Do you currently sell goods over the internet?

1. yes

2. no (but plan to)

3. no (no plan to)

Q. How do your volume of internet sales for this month and your expectations for the next month compare with those in the same month a year ago?

1. up

2. same

3. down

4. n/a

Q. How do your average prices for goods sold over the internet for this month and your expectations for the next month compare with those in the same month a year ago?

1. up

2. same

3. down

4. n/a

5- construction confidence indicator

Q. . How has your current civil engineering activity developed over the past month?

1. increased

2. remained unchanged

3. decreased

Q. Do you consider your current order books to be: par 1. above normal

2. normal for the season

3. below normal

4. n/a

Q. How do you expect your firm's total employment to change over the next three months? It will:

1. increase

2. remains unchanged

3. decrease

Appendix 2:Construction of confidence indicators

Confidence indicators are calculated using *Scores* that summarise replies to surveys questions. Percentage of responses to any single question should follow:

$$PP + P + E + N + NN + M = 100 \tag{1}$$

where:

PP is very positive, P is positive, E is neutral, N is negative, NN is very negative and M is without any opinion.

Scores then are calculated as:

$$Score = (PP + \frac{1}{2}P) - (\frac{1}{2}N + NN) \tag{2}$$

The score of a question is ranged from -100 if all respondents choose the negative option to +100 if all respondents choose the positive option. Scores are seasonally adjusted using "Dainties" as the seasonal-adjustment algorithm. For each sector, the confidence indicator is the simple arithmetic average of all seasonally adjusted scores of questions.

Appendix 2: Construction of the Economic Sentiment Indicator (ESI)

The Economic Sentiment Indicator (ESI) covers four business surveys with different weights. The original weights of indicators in the ESI are 40% to Manufacturing, 30% to Services, 20% Consumer and 5% for each of the Retail Trade and Construction indicators. For the Services sector, the indicator has no values until April 2006. Therefore the MSI is constructed using only three sectors for the period from January 1985 to March 2006. The percentage redistributed to the weights of the three sectors is 50% (%20 from

the consumer confidence indicator and 30% from the Services indicator). The weights for this period are 80% to Manufacturing, 10% to each of the Construction and Retail Trade indicators. These adjustments maintain the ratio of Services weight to Manufacturing weight at 0.75 and Construction and Retail Trade weights to Manufacturing weight at 0.125 for ESI and MSI. Following the same methodology used by the EC in constructing the ESI, the MSI is scaled to have a mean of 100 and a standard deviation of 10.