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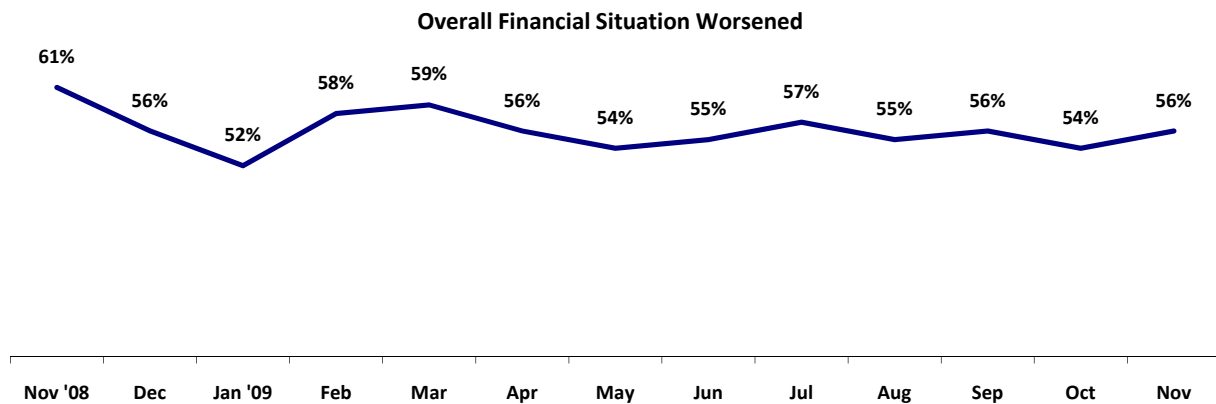
CONSUMERS' FORECAST REMAINS CLOUDY

November 11, 2009

Unlike economists, consumers see no signs of the recession ending and remain cautious.

FINANCIAL SITUATION

Over half (56%) of Americans continue to feel their financial situation is worse than a year ago.



JOB SECURITY

Just under half of consumers (48%) continue to report that their household lost a job or wages within the past year. Nearly six in ten (58%) still feel vulnerable to a possible layoff or loss of wages in the coming months.

	2008-09												<i>Change Oct/Nov</i>	
	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>		<u>Nov</u>
HOUSEHOLDS REPORTING:														
Chance of layoff or loss of earnings in coming months	46%	56%	59%	62%	61%	59%	61%	62%	61%	59%	61%	61%	58%	-3
Had layoff or loss of earnings in past year	32	41	38	43	42	45	44	45	47	44	49	44	48	+4
Regained job or earnings in past year	24	26	22	19	16	18	17	20	19	18	17	17	17	0

INCOME

Households whose income increased during the past year fall to a new low (20%), while households whose income decreased rise to match the previous high (45%). Notably, only one-fourth (25%) of consumers expect their household income to rise in the coming year.

YEAR-TO-YEAR INCOME	2008-09												Change Oct/Nov	
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct		Nov
Increased	39%	35%	33%	30%	27%	27%	27%	26%	24%	23%	24%	23%	20%	-3
Same	30	33	33	30	33	29	32	31	32	37	31	37	35	-2
Decreased	31	32	34	40	40	44	41	43	44	40	45	40	45	+5

SAVINGS AND CREDIT

Consumers able to save a portion of their monthly income decline three points to 30%, the lowest level in years.

Most consumers with credit cards kept their balances stable during the past month (58%), while as many saw their balances decrease (21%) as increase (21%).

SPENDING

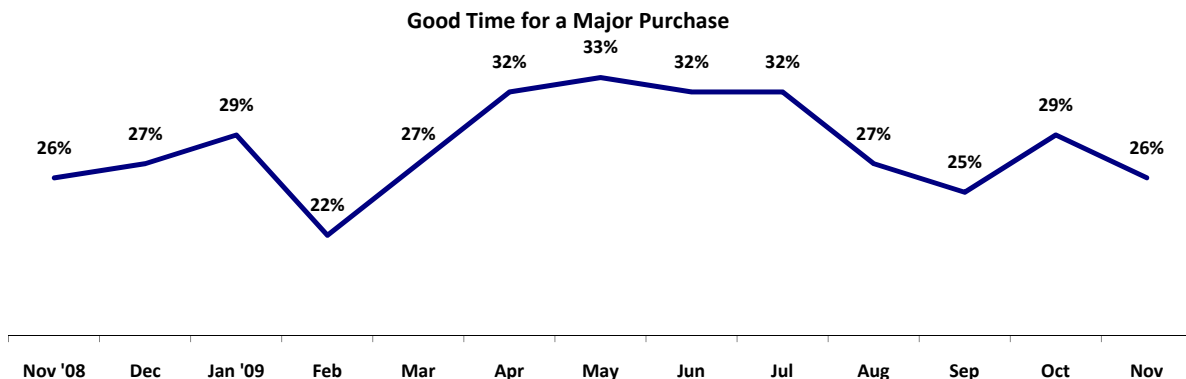
Consumables

Consumers are more reticent this month about spending money on **food, clothing, gasoline and medical expenses**.

Nearly two-thirds (66%) of consumers say they expect to spend less on Christmas gifts this year, compared to 7% who expect to spend more and 26% who expect to spend the same amount as last year. These figures are comparable to last November.

Major Purchases

Shopping for most major goods holds steady from October to November. The demand for **new cars, housing, and hotels/motels** remains well below last year. More consumers this month plan to buy **televisions** and **computers**, but there is no increase yet in active shopping for these items. Shopping for **air travel** is down sharply from last month and last year.

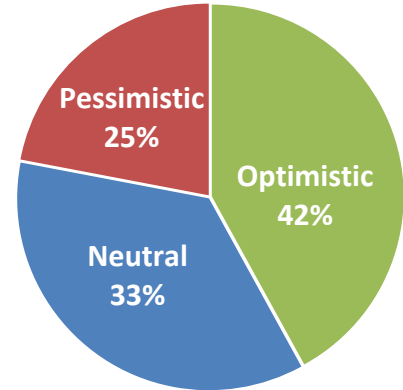


PRICES

Five in ten consumers (52%) feel prices rose during the past month, while two in ten (19%) feel prices declined, and three in ten (29%) saw no change. Perception that prices increased is up seven points from last month, reaching the highest level since 56% in June.

HOPE

Four in ten consumers (42%) are optimistic about their overall finances improving in the coming year, while one-fourth (25%) are pessimistic, expecting their finances to worsen. One-third (33%) expect their financial situation to be about the same a year from now. Three percent of consumers shifted from “neutral” to “pessimistic” during the past month.



THE NATION

More consumers believe the economy is worsening (44%) than improving (39%). When asked to name the major problems facing our country, more consumers mention economic issues this month (72%) than in the past three months (63-65%). The number of consumers expecting the current economic crisis to continue three years or longer rises three points to a new high (55%).

Slightly fewer than half of Americans are pleased with the job President Obama is doing (47%), down one point from last month.

COMMENT

Consumers have made sacrifices and lowered their standard of living over the past several months to bring their spending into balance with diminished income and assets. The approaching holiday season brings additional budget challenges. Besides bargain hunting, look for consumers to find creative ways to meet their gift-giving obligations, such as pooling funds with others to purchase a more substantial gift, homemade crafts or foods, eBay auctions, secondhand stores, etc.

When the world doesn't appear to care about them, consumers will be looking for companies, products and services they spend their money on to show them that they do. Consumers will be weighing other factors in the overall “cost” of a trip versus the benefits. Out of stocks, poor services, limited selection and checkout snafus will hurt retailers and impact future shopping decisions.

Since February 2009, U.S. consumers are surveyed at a rate of 1000 per month, of which nearly half are interviewed by telephone and the rest online. Previously, consumers were interviewed by telephone only, at a rate of 450 per month.

SHOPPING FOR DAY-TO-DAY AND MAJOR PURCHASES

	2008	2009	2009	Change	
	<u>Nov</u>	<u>Oct</u>	<u>Nov</u>	<u>Month-</u>	<u>Year-</u>
				<u>To-Month</u>	<u>To-Year</u>
<u>SPENDING FREELY FOR:</u>					
<i>(Not cutting back on)</i>					
Maintaining Standard of Living	40%	41%	38%	-3	-2
Clothing	33	31	26	-5	-7
Food	35	37	33	-4	-2
Driving (Gasoline)	34	41	39	-2	+5
Medical Care	72	63	61	-2	-11
<u>PLANNING PURCHASE IN 12 MONTHS</u>					
<u>AND ACTIVELY SHOPPING FOR:</u>					
NEW CAR...					
Planning	11	8	7	-1	-4
Shopping	7	4	4	0	-3
USED CAR...					
Planning	17	18	19	+1	+2
Shopping	6	7	8	+1	+2
HOUSE...					
Planning	12	8	8	0	-4
Shopping	6	5	5	0	-1
FURNITURE...					
Planning	19	19	18	-1	-1
Shopping	10	10	10	0	0
MAJOR APPLIANCE...					
Planning	13	14	15	+1	+2
Shopping	7	9	7	-2	0
CARPETING...					
Planning	9	6	8	+2	-1
Shopping	3	3	2	-1	-1
TELEVISION...					
Planning	18	15	17	+2	-1
Shopping	9	8	8	0	-1
PERSONAL COMPUTER...					
Planning	19	15	17	+2	-2
Shopping	11	8	8	0	-3
AIR TRAVEL...					
Planning	39	32	29	-3	-10
Shopping	23	17	14	-3	-9
MOTEL/HOTEL...					
Planning	46	43	43	0	-3
Shopping	20	17	16	-1	-4