

How Will Consumer Confidence Affect Year-end Spending?

By Charlene Crowell
NNPA Columnist

As September draws to a close, the holiday season will soon be upon us. It is also the traditional time when consumer spending surges make the annual difference between retailers reaching profits or red ink. But according to a recent consumer study conducted by Princeton Survey Research Associates on behalf of BankRate.com, many consumers have already begun tightening household budgets.

"Forty percent of Americans say they have cut back on spending over the past 60 days due to the roller-coaster stock market or concerns about the economy," says Greg McBride, Bankrate's senior financial analyst. "This type of widespread cutback in consumer spending, if sustained for any length of time, is how recessions are born."

Beyond consumer spending, the study also compared consumer comfort levels

today against those of 12 months ago in four other measures: debt, savings, job security and net worth.

If you're feeling as if your total assets are fewer than you'd prefer, there are many others holding that same opinion. Across all

In the face of questionable job security, lingering debts, meager savings and lower net worth – the usual merry tone of the holidays may offer less cheer.

education levels, consumers said their net worth is lower today than a year ago. Older Americans ages 50-64 are feeling the most financial stress. Half on this age group are less comfortable today with their savings than last year. They have also the most likely to have already cut back on spending. Although consumers earning

\$75,000 or more were found more comfortable with their savings levels, they too are spending less.

When consumers considered their personal debts, over half surveyed – 51 percent – found they were about the same as last year. This finding suggests that while consumer may manage debts, becoming debt-free for half of Americans is long-term goal, not a short one.

Job security was perhaps the worst measure. More than half – 60 percent – job security is as elusive now as it was last year. Conversely, only 16 percent felt their jobs were safer today.

David Denslow, Jr., a distinguished service professor in the Department of Economics at the University of Florida and a research economist for the Bureau of Economic and Business Research offered his interpretation on lingering job insecurity.

"This increased concern ranges from dropouts to college graduates, from the less-

New study finds stagnant economy, little job security affect nearly all spending.

skilled to higher earners, from the young to those approaching retirement. And it is remarkable for the beginning of the third year after the official end of a recession. The third years of the previous two recoveries saw rapid job gains. This time may be different."

In the face of questionable job security, lingering debts, meager savings and lower net worth – the usual merry tone of the holidays may offer less cheer. The economy has taken the form of Ebenezer Scrooge.

Charlene Crowell is a communications manager with the Center for Responsible Lending.

**Our
NEWEST
BREW
IS A TASTY BLEND OF
BARLEY,
HOPS,
JOBS,
and
COMMUNITY.**

**Lottery dollars helped expand production
at Astoria's Fort George Brewery.**

At the heart of historic Astoria, Oregon a new future is growing. Fort George Brewery is expanding and now occupies and enlivens an entire city block. This growth is due in part to funding from the Oregon Lottery. The state economic development agency, Business Oregon, assisted the company with Lottery funds that helped build a new 8000 sq. ft. production facility, purchased the canning line, and added cold storage that enabled them to ramp up their business. The result has been not just a darn tasty IPA, but the addition of jobs, and a restored vibrancy and life to the community.

To learn more visit www.ItDoesGoodThings.org. Lottery games are based on chance and should be played for entertainment only.



It does good things.