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Special New York State Survey: The October Financial Meltdown

For Immediate Release: Friday, October 17, 2008

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NY'ers See Recession, Fear Depression

Majority Feeling Meltdown: Concerned Over Market Losses, Credit Crunch, Jobs and Retirement
Hope not Lost: Most Think Market will Rebound, Rescue Plan Likely to Work and Economy Likely to Recover

Loudonville, NY – New Yorkers overwhelmingly agree the country is currently in a recession, and the crisis is likely to lead to a global depression. Nearly eighty percent fear near record levels of unemployment and 56% believe widespread bank failures are likely. Despite these grave concerns, 65% believe the government rescue plan is likely to bring the economy back to health and 72% expect the stock market to regain its recent losses according to a new survey from the Siena Research Institute. Nearly two-thirds of New Yorkers say the current financial situation is having a serious impact on their household.

National and Global concerns:

- 77% - Country is currently in a recession. 87% of Democrats (D), 77% of Independents (I), 60% of Republicans (R).
- 59% - We are headed into a global economic depression. 25% (very likely); 34% (somewhat likely)
- 56% - There will be widespread bank failures. 66% of young people (18-34) believe somewhat or very likely. 38% of seniors.
- 77% - Unemployment will reach near record levels. 85% of D's with 49% saying "very likely".
- 45% - These are the worst economic times since the Great Depression.

But:

- 72% - The Stock Market will regain its recent losses. 83% of R's, 70% of D's, 69% of I's.
- 65% - The government rescue plan will soon begin to bring the economy back to health (12% very likely; 53% somewhat likely). Seniors (76%), and R's (73%) most confident. D's (56%) least confident.
- 58% - The economy will soon recover. R's (73% with 29% very likely and 44% somewhat) most optimistic
- 52% - I think this crisis will pass, it isn't as bad as some say it is. R's (64%), Upstaters (61%) and Young (61%) most hopeful.

Personal Concerns:

- 64% - I anticipate the current financial problems will have a somewhat (42%) or very (22%) serious effect on me and my household.
- 51% - I've lost a substantial amount of money from my retirement account over the past couple of weeks.
- 50% - I do not think I'll be able to maintain my current style of living.
- 47% - I'm concerned about my ability to get a loan.
- 43% - I believe either my job or the job of other members of my household is not secure.
- 40% - I'm afraid I'm going to have to postpone my retirement because of this crisis (of those not now retired).

But:

- 54% - I believe it is completely true (9%) or somewhat true (45%) that the government will do what is necessary to protect my personal financial situation.

"Today's mixture of concern and confidence seems confusing, almost dizzying, but that's exactly how many people feel right now. New Yorkers know that this crisis is real for the nation and frightening for them personally, but for now, despite the daily drama played out on Wall St. and lived on Main St., most continue to fight off this financial and emotional vertigo and hope for a strong hand to grab the wheel" according to Dr. Douglas Lonnstrom, professor of statistics and finance at Siena College and SRI Founding Director.

The Special October Meltdown Survey was conducted October 13-15, 2008 by random telephone calls to 504 New York State residents over the age of 18. Data was weighted by age and gender. Results are reported with a margin of error of ± 4.4 points. For more information or comments, please call Dr. Douglas Lonnstrom, Siena College professor of finance and statistics and SRI Founding Director, at 518-783-2362 (office) or 518-456-6073 (home). Survey cross-tabulations can be found at www.siena.edu/sri/research