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Special New York State Survey: The Economy and Personal Finances

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For information/comment: Dr. Don Levy: 518-783-2901 or dlevy@siena.edu

Majority Expect Economy, Personal Situation to Improve Next Year
Energy, Gas and Food Still Drain Wallets

Layoffs, Cut Hours Strap Worried and Cash Tight Consumers
Most Cut Impulse Buys, Fun, Big Purchases, and Monitor Energy to Get by

Loudonville, NY – A majority of New York residents believe the economy in general and their personal financial situation will get better over the next year according to a new survey released today from the Siena (College) Research Institute (SRI). The cost of food remains a financial hardship for 67 percent and gas prices seriously impact 53 percent. Seventy-four percent worry about their winter heating costs. Nearly one in three New York households report a member getting a second job over the last six months to make ends meet while 23 percent have had a job loss and 26 percent have suffered a cut back in work hours. As a result of the economy, New Yorkers are eliminating impulse buying, managing energy usage, cutting back on entertainment and vacations, delaying major purchases and using coupons, as well as buying store brands. Still, by 49 to 45 percent, residents say that the current economic problems we face are temporary and that we will recover as opposed to those that believe our country's best economic days are behind us.

The Special New York State Survey of the Economy and Personal Finances is sponsored by First Niagara Bank as part of a larger study of economic confidence in New York. In January, SRI and First Niagara will release the Business Leaders Study, an investigation of confidence, concentrations and plans of CEO's from New York's private for profit companies.

"Guarded economic optimism is making a comeback. Sixty percent of New Yorkers, up from forty-nine in August, now expect to be better off financially in a year's time. And despite ongoing job pressures, more New Yorkers now see the economic glass as half full as compared with those that see it as half empty," said Dr. Don Levy, SRI's Director.

"Still, with sixty-three percent of residents, down only three points from August, saying they worry about money today more than ever before, it is no surprise that a majority, 58 percent, say they are concerned about their ability to continue to live at their current standard of living. But, despite the

growing weight of economic concern and the ever present burden of gas, food and home heating costs, New Yorkers are not giving up. Sixty percent insist that their personal financial situation will improve over the next twelve months and by 55 to 33 percent they believe the overall economy will improve in the year to come,” said Levy.

In response to current economic conditions, residents say they are changing many every day behaviors. Seventy-six percent now plan expenses and avoid impulse purchases. Seventy-three percent of state residents have cut back on the amount or quality of entertainment, and 73 percent now carefully monitor and manage energy use at home. Over six in ten residents now use coupons or special offers to purchase necessities like food or clothing, and 51 percent are substituting goods and services of lower quality in those areas or in health and hygiene in order to save money. Fifty-five percent have delayed major purchases like a car, appliance or home.

Just 37 percent of state residents have over the last six months been able to save any money for retirement, but 50 percent have a savings account with enough money in it to pay all or most household expenses for six months. And by 50 to 31 percent, New Yorkers report being in less debt today than they were a year ago.

Despite all the changes New Yorkers have made to respond to the economic downturn including couponing, planning purchases and monitoring energy usage, only 43 percent of New York households maintain a monthly budget to track income and expenses. Of those, 15 percent have started the budget within the last year. Still, 73 percent of those that do not have a budget, or 41 percent of all New Yorkers have never tried to keep a monthly budget.

“Residents do appear to be saying that the worse may well be over. Belts have had to be tightened, but right now over eighty percent expect to be able to make ends meet next year at least as well as they did this year while only fourteen percent of all New Yorkers and eighteen percent of those earning less than \$50,000 a year expect to have a harder time paying their bills over the coming year. For a growing number of state residents, there is light at the end of this long tunnel” according to Levy.

The Special Economy and Personal Finances Survey was conducted October 19 - 22, 2009 by random telephone calls to 623 New York State residents over the age of 18. Data was weighted to enhance representativeness. Results are reported with a margin of error of ± 3.9 points. For more information or comments, please call Dr. Don Levy, Director, Siena College Research Institute, at 518-783-2901 or dlevy@siena.edu. Survey cross-tabulations can be found at www.siena.edu/sri/research