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Monthly New York State Consumer Confidence Index including Gas and Food Analysis

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State Consumer Confidence Climbs Upwards as Future Concerns Fade Away
NY Index Tops National; Democrats, NYC Lead Optimism, Upstaters, Republicans Lag
New Economic Normal Setting In: Confidence Up, Buying Plans Down
Gasoline Worries Vaporizing; Down 30 Points from Summer '08

Loudonville, NY - New York State consumer confidence increased 4.8 points in August, while the nation's confidence decreased 0.3 points, according to the latest poll by the Siena (College) Research Institute (SRI). At 69.1, New York's overall consumer confidence is 3.4 points above the nation's* 65.7 confidence level.

August 2009 Consumer Confidence:	The Nation*	New York State	diff. points	New York State	Metro NYC	Upstate NY
Overall	65.7 (-0.3)	69.1 (4.8)	3.4	69.1 (4.8)	72.5 (5.9)	62.8 (2.6)
Current	66.6 (-3.9)	64.8 (1.5)	-1.8	64.8 (1.5)	62.9 (1.1)	67.1 (1.5)
Future	65.0 (1.8)	71.8 (6.8)	6.8	71.8 (6.8)	78.6 (9.0)	60.1 (3.4)

() reflects the point change from previous month. *National data compiled by the U. of Michigan

In August, buying plans were up for: *computers*, 2.4 points to 14.9%. Buying plans were down for: *cars/trucks*, 1.6 points to 9.9%; *furniture*, 1.6 points to 15.0%; *homes*, 0.6 points to 3.5%; and *major home improvements*, 1.1 points to 13.3%.

“The overall index of consumer confidence is the highest it’s been in New York in twenty months,” according to Dr. Douglas Lonnstrom, professor of statistics and finance at Siena College and SRI Founding Director. “Although a majority of New Yorkers continue to expect tough economic times this year, the scourge of pessimism is now in retreat across nearly every demographic. The future is looking especially bright to Democrats, NYC’ers, and the young. But, this time a recovery could look different as growing confidence has not yet opened the buying flood gates. Despite cash for clunkers and other incentives, consumers are not convinced that this is the time to buy big ticket items.”

Each month since January 1999, the SRI survey establishes a Consumer Confidence index number for New York State consumers. This index number allows a direct comparison of New Yorkers to all Americans (“the nation”) as surveyed by the University of Michigan’s Consumer Sentiment index. The SRI survey measures *current* and *future* consumer confidence, which combined provides the *overall* consumer confidence. SRI further looks at confidence in New York State by region (metro New York City and Upstate), age, income, gender and party.

Consumer Confidence in New York State (index numbers):			
August 2009			
(Groups listed in descending order by Overall CCI Rating)			
	Overall	Current	Future
Democrats	75.9 (6.1)	67.5 (3.8)	81.3 (7.6)
Men	72.5 (4.6)	69.7 (0.3)	74.2 (7.3)
Metro NYC	72.5 (5.9)	62.9 (1.1)	78.6 (9.0)
Under Age 55	72.3 (7.5)	64.8 (1.9)	77.1 (11.2)
Higher income	71.4 (5.2)	71.6 (1.9)	71.3 (7.3)
New York State	69.1 (4.8)	64.8 (1.5)	71.8 (6.8)
Age 55+	66.2 (2.5)	64.4 (1.1)	67.4 (3.4)
Women	65.9 (4.5)	60.3 (2.3)	69.6 (6.1)
Lower income	65.6 (2.5)	56.1 (-1.5)	71.8 (5.1)
Upstate NY	62.8 (2.6)	67.1 (1.5)	60.1 (3.4)
Republicans	60.5 (3.0)	59.9 (-2.3)	60.8 (6.3)

Consumer Confidence and Buying Plans; Summary of Previous 24 Months								
	Consumer Confidence			Buying Plans				
	Overall Index	Current Index	Future Index	Car/ Truck	Computer	Furniture	Home	Major Home Improvement
Aug 2007	73.8	80.7	69.3	9.2%	11.6%	15.3%	4.2%	15.1%
Aug 2008	58.2	58.0	58.4	8.5%	10.8%	14.3%	4.7%	15.1%
Aug 2009	69.1	64.8	71.8	9.9%	14.9%	15.0%	3.5%	13.3%
2 Year Difference	-4.7	-15.9	2.5	0.7	3.3	-0.3	-0.7	-1.8
Highest	74.4 (Sep 07)	80.7 (Aug 07)	71.8 (Aug 09)	12.6% (Oct 07)	15.5% (Dec 07)	18.5% (Nov 07)	5.0% (Sep 07)	17.9% (Apr 08)
Lowest	51.6 (Oct 08)	49.7 (Oct 08)	49.9 (Jun 08)	7.7% (Jul 08 & Jan 09)	7.4% (Oct 08)	10.3% (Nov 08)	2.2% (Jan 09)	10.9% (Nov 08)

Gas and Food Price Analysis

Forty-nine percent of all New Yorkers say that current gasoline prices are having a very serious or somewhat serious impact on their financial condition, down six points from last month. Sixty-two percent of state residents indicate that the amount of money they spend on groceries is having either a very serious or somewhat serious impact on their finances. Thirty-nine percent of state residents say that both gasoline and food prices are having either a somewhat or very serious impact on their finances down from a high of 71% in July 2008.

“Concern about high gas prices took a healthy fall this month as for the first time in the year and a half we have tracked it, fewer than fifty percent of New Yorkers are seriously affected by pump prices. Last summer’s shock is now a forgotten nightmare as consumers have grown accustomed to filling up for less than \$50. But, that could all change if we once again wake up to prices nearing or topping \$4.00. And the grocery bill, little change there as over six in ten continue to cringe at the register,” according to Dr. Lonnstrom.

The following chart shows the percentage of New York State residents by income, political party, age, location and gender that report a hardship from 1) gasoline prices, 2) food prices, and 3) both gas and food prices.

Seriousness of Gas and Food Prices: Percentage of NY'ers												
Total percent by category indicating a somewhat or very serious problem.												
	Gasoline				Food				Both Gas and Food			
	Aug 2009	Jul 2009	Jun 2009	Jul 2008	Aug 2009	Jul 2009	Jun 2009	Jul 2008	Aug 2009	Jul 2009	Jun 2009	Jul 2008
Upstate NY	56%	66%	64%	79%	62%	68%	61%	80%	45%	55%	49%	73%
Republicans	56%	57%	57%	80%	59%	60%	62%	76%	46%	44%	42%	72%
Lower Income	54%	58%	57%	81%	73%	74%	75%	87%	47%	50%	50%	77%
Men	52%	52%	55%	75%	58%	56%	60%	77%	40%	40%	41%	67%
Under age 55	51%	55%	54%	80%	64%	62%	67%	83%	42%	41%	44%	74%
New York State	49%	55%	54%	78%	62%	62%	63%	81%	39%	43%	42%	71%
Age 55+	47%	55%	55%	76%	60%	61%	60%	79%	38%	44%	42%	69%
Women	46%	58%	53%	81%	65%	66%	66%	84%	39%	46%	44%	75%
Higher Income	44%	51%	52%	76%	53%	52%	53%	76%	33%	36%	35%	67%
Democrats	44%	50%	54%	76%	64%	62%	65%	83%	36%	41%	43%	68%
Metro NYC	44%	49%	48%	77%	61%	58%	65%	81%	36%	36%	38%	69%

The SRI survey of Consumer Confidence was conducted in August 2009 by random telephone calls to 800 New York State residents over the age of 18. As consumer confidence is expressed as an index number developed after statistical calculations to a series of questions, “margin of error” does not apply. Buying plans, which are shown as a percentage based on answers to specific questions, do have a margin of error of ± 3.5 points. For more information or comments, please call Dr. Douglas Lonnstrom, SRI’s Founding Director, at 518-783-2362. Survey cross-tabulations and buying plans can be found at www.siena.edu/sri/cci. SRI is an independent, non-partisan research institute. SRI subscribes to the American Association of Public Opinion Research (AAPOR) Code of Professional Ethics and Practices.