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

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NY Index Tops National; Hope for Better Tomorrow Drags Index from Depths
Buying Plans Show Little Promise; Down 15% to 44% from Last Year
Gas Financial Crisis Over, for now; Food Still Devouring Consumer Cash

Loudonville, NY - New York State consumer confidence increased 4.0 points in November, while the nation's confidence decreased 2.3 points, according to the latest poll by the Siena (College) Research Institute (SRI). At 55.6, New York's overall consumer confidence is 0.3 points above the nation's* 55.3 confidence level.

November 2008 Consumer Confidence:	The Nation*	New York State	diff. points	New York State	Metro NYC	Upstate NY
Overall	55.3 (-2.3)	55.6 (4.0)	0.3	55.6 (4.0)	56.5 (4.0)	53.4 (3.9)
Current	57.5 (-0.9)	51.6 (1.9)	-5.9	51.6 (1.9)	50.8 (0.4)	53.1 (5.7)
Future	53.9 (-3.1)	58.2 (5.4)	4.3	58.2 (5.4)	60.1 (6.3)	53.5 (2.6)

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

In November, buying plans were up for: *cars/trucks*, 0.3 points to 8.2%; *computers*, 3.3 points to 10.7%; and *homes*, 0.6 points to 3.0%. Buying plans were down for *furniture*, 2.4 points to 10.3%; and *major home improvements*, 1.7 points to 10.9%.

“Consumer confidence rebounded in November in New York primarily because of growing economic optimism following the election and surprising gas price declines,” according to Dr. Douglas Lonnstrom, professor of statistics and finance at Siena College and SRI Founding Director. **“But, as the expression goes, ‘been down so long it looks up to me’. A record 61% of New Yorkers say they are worse off today than they were a year ago and nearly half of all consumers expect to tread financial water over the next twelve months. Still, whether it is the change in Washington or sheer determination, lower income New Yorkers and Democrats are leading our tentative optimism rally . ”**

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):			
November 2008			
(Groups listed in descending order by Overall CCI Rating)			
	Overall	Current	Future
Lower income	58.4 (7.0)	48.5 (3.4)	64.7 (9.2)
Republicans	58.4 (1.8)	61.0 (2.2)	56.7 (1.5)
Men	58.1 (4.4)	57.3 (5.0)	58.6 (4.1)
Democrats	58.0 (7.9)	47.8 (1.9)	64.5 (11.7)
Under Age 55	57.2 (3.8)	51.2 (2.7)	61.1 (4.6)
Metro NYC	56.5 (4.0)	50.8 (0.4)	60.1 (6.3)
New York State	55.6 (4.0)	51.6 (1.9)	58.2 (5.4)
Age 55+	54.1 (3.7)	51.2 (1.1)	56.0 (5.4)
Higher income	53.7 (2.4)	53.1 (0.0)	54.0 (3.9)
Upstate NY	53.4 (3.9)	53.1 (5.7)	53.5 (2.6)
Women	52.5 (3.3)	45.1 (-1.2)	57.2 (6.1)

Gas and Food Prices Analysis

Forty-eight percent of all New Yorkers say that current gasoline prices are having a very serious or somewhat serious impact on their financial condition down from 60% last month. Sixty-six 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. Forty percent of state residents say that both gasoline and food prices are having either a somewhat or very serious impact on their finances.

“With the cost of gas down 50% from its summer sizzle, a majority of consumers no longer say the pump is seriously affecting their finances. But with food costs still a problem for most New Yorkers and especially among lower income, young and women, consumers need more help before we see an economic rebound,” 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 -- 2008									
Total percent by category indicating a somewhat or very serious problem.									
	Gasoline			Food			Both Gas and Food		
	Nov 2008	Oct 2008	Sept 2008	Nov 2008	Oct 2008	Sept 2008	Nov 2008	Oct 2008	Sept 2008
Upstate NY	58%	66%	74%	67%	69%	75%	48%	55%	64%
Under age 55	54%	62%	68%	73%	67%	72%	47%	51%	58%
Lower Income	51%	66%	71%	79%	80%	83%	47%	58%	66%
Democrats	49%	60%	65%	68%	71%	74%	40%	50%	56%
Women	49%	59%	67%	71%	71%	76%	42%	51%	59%
New York State	48%	60%	66%	66%	69%	73%	40%	50%	57%
Men	47%	60%	65%	60%	66%	69%	38%	49%	56%
Age 55+	44%	58%	65%	61%	70%	73%	36%	50%	57%
Higher Income	44%	57%	62%	59%	63%	65%	35%	46%	51%
Metro NYC	43%	56%	63%	65%	69%	72%	36%	47%	54%
Republicans	41%	58%	62%	60%	63%	66%	35%	46%	50%

In order to track consumers' sense of the seriousness with which gas and food prices are affecting their household budget, SRI computes the “Gas and Food Impact Seriousness Index.” In this index a score of 100 would be generated within any group if equal percentages of respondents said that gas and food were having a ‘somewhat’ or ‘very serious’ impact on their finances as compared to those that said those prices were either having ‘not a very’ or ‘not at all’ a serious impact. Any index score above 100 indicates growing concern over gas and food prices, while a score under 100 would indicate that concerns over gas and food are lessening. This chart shows the Gas and Food Impact Seriousness Index for the last three months.

Seriousness of Gas and Food Prices: Percentage of NY'ers -- 2008									
Total percent by category indicating a somewhat or very serious problem.									
	Gasoline			Food			Both Gas and Food		
	Nov 2008	Oct 2008	Sept 2008	Nov 2008	Oct 2008	Sept 2008	Nov 2008	Oct 2008	Sept 2008
Upstate NY	116	132	148	135	139	149	125	135	148
Under age 55	109	126	140	146	134	144	127	130	142
Lower Income	106	134	146	159	160	166	132	147	156
Women	101	121	139	143	143	152	122	132	146
Democrats	100	122	133	137	143	149	118	133	141
New York State	97	122	136	133	138	146	115	130	141
Men	94	123	133	122	133	139	108	128	136
Age 55+	90	118	134	124	141	147	107	130	140
Higher Income	89	114	125	117	126	130	103	120	127
Metro NYC	88	116	130	132	138	144	110	127	137
Republicans	83	116	126	121	126	131	102	121	129

The SRI survey of Consumer Confidence was conducted in November 2008 by random telephone calls to 624 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 ± 3.9 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 and buying plans can be found at www.siena.edu/sri/ci