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

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Dismal Economic Year Ends with Consumer Confidence Up from Worse to Bad
Buying Plans Remain Stagnant; Down 15 to 42% From Last New Year's
Cheap Gas Little Solace for Worried New Yorkers

Loudonville, NY - New York State consumer confidence increased 1.5 points in December, while the nation's confidence increased 3.8 points, according to the latest poll by the Siena (College) Research Institute (SRI). At 57.1, New York's overall consumer confidence is 2.0 points below the nation's* 59.1 confidence level.

December 2008 Consumer Confidence:	The Nation*	New York State	diff. points	New York State	Metro NYC	Upstate NY
Overall	59.1 (3.8)	57.1 (1.5)	-2.0	57.1 (1.5)	58.2 (1.8)	54.4 (1.0)
Current	69.4 (11.9)	58.4 (6.8)	-11.0	58.4 (6.8)	58.0 (7.2)	59.1 (6.0)
Future	52.4 (-1.5)	56.2 (-2.0)	3.8	56.2 (-2.0)	58.4 (-1.7)	51.4 (-2.1)

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

In December, buying plans were up for: *cars/trucks*, 0.2 points to 8.4%; *furniture*, 0.5 points to 10.8%; and *major home improvements*, 2.3 points to 13.2%. Buying plans were down for *computers*, 0.5 points to 10.2%; and *homes*, 0.5 points to 2.5%.

“With a majority of New Yorkers saying that they are worse off economically today than they were a year ago, most are happy to see 2008 come to an end,” according to Dr. Don Levy, Siena College Research Institute Director. “Not one of our indices ever matched the point at which we started the year and all buying plans are down from this time last year. Despite most consumers expecting the state of the economy to worsen before it gets better, one in four do expect to personally experience a financial rally this year. Although appreciative of gas prices they only dreamed of a short time ago, most remain financially cautious during this difficult period.”

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):			
December 2008			
(Groups listed in descending order by Overall CCI Rating)			
	Overall	Current	Future
Republicans	58.8 (0.4)	63.3 (2.3)	56.0 (-0.7)
Higher income	58.2 (4.5)	64.1 (11.0)	54.5 (0.5)
Metro NYC	58.2 (1.8)	58.0 (7.2)	58.4 (-1.7)
Democrats	58.1 (0.1)	57.6 (9.8)	58.4 (-6.1)
Men	58.0 (-0.1)	62.2 (4.9)	55.2 (-3.4)
Age 55+	57.4 (3.3)	56.9 (5.7)	57.7 (1.7)
New York State	57.1 (1.5)	58.4 (6.8)	56.2 (-2.0)
Under Age 55	56.3 (-0.9)	59.9 (8.7)	54.0 (-7.1)
Women	56.3 (3.8)	55.0 (9.9)	57.2 (0.0)
Lower income	55.4 (-3.0)	51.2 (2.7)	58.2 (-6.5)
Upstate NY	54.4 (1.0)	59.1 (6.0)	51.4 (-2.1)

In order to demonstrate the year that 2008 was, we show in the chart below the indices of consumer confidence for December 2007 (released January 4, 2008) and December 2008 (released January 5, 2009) as well as the high and low for each index recorded during 2008. We also display the percentage of New York consumers expressing an intent to purchase each of five different items at the beginning and end of 2008 as well as the high and low buying plans. When the December 2007 figures were released on January 4, 2008, SRI noted in the headline that the “Statewide Index Lowest Since March 2003” and “Future Looks Uncertain to Most; Buying Plans Drop.”

Consumer Confidence and Buying Plans; Summary of 2008								
	Consumer Confidence			Buying Plans				
	Overall Index	Current Index	Future Index	Car/ Truck	Computer	Furniture	Home	Major Home Improvement
Dec 2007	69.0	76.9	63.9	9.9%	15.5%	17.8%	4.3%	16.0%
Dec 2008	57.1	58.4	56.2	8.4%	10.2%	10.8%	2.5%	13.2%
Highest	69.0 (Dec 07)	76.9 (Dec 07)	63.9 (Dec 07)	10.6% (Apr 08)	15.5% (Dec 07)	18.3% (Jan 08)	4.7% (Aug 08)	17.9% (Apr 08)
Lowest	51.6 (Oct 08)	49.7 (Oct 08)	49.9 (Jun 08)	7.7% (Jul 08)	7.4% (Oct 08)	10.3% (Nov 08)	2.4% (Oct 08)	10.9% (Nov 08)

Gas and Food Prices Analysis

Forty-three 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 48% last month and 60% in October. 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. Thirty-eight 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.

“Fewer and fewer New Yorkers are suffering from the cost of gas with prices below two dollars while two-thirds continue to dread the trip to the grocery store. But getting some relief with fuel has only kept overall confidence from falling further rather than stimulating weary and worried consumers to spend.” according to Dr. Levy.

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		
	Dec 2008	Nov 2008	Oct 2008	Dec 2008	Nov 2008	Oct 2008	Dec 2008	Nov 2008	Oct 2008
Upstate NY	48%	58%	66%	66%	67%	69%	41%	48%	55%
Lower Income	47%	51%	66%	76%	79%	80%	43%	47%	58%
Republicans	46%	41%	58%	66%	60%	63%	40%	35%	46%
Under age 55	44%	54%	62%	69%	73%	67%	40%	47%	51%
Women	44%	49%	59%	67%	71%	71%	39%	42%	51%
New York State	43%	48%	60%	66%	66%	69%	38%	40%	50%
Men	42%	47%	60%	64%	60%	66%	36%	38%	49%
Age 55+	42%	44%	58%	64%	61%	70%	36%	36%	50%
Democrats	41%	49%	60%	68%	68%	71%	37%	40%	50%
Metro NYC	41%	43%	56%	66%	65%	69%	36%	36%	47%
Higher Income	40%	44%	57%	60%	59%	63%	34%	35%	46%

The SRI survey of Consumer Confidence was conducted in December 2008 by random telephone calls to 1,000 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 \pm 3.1 points. For more information or comments, please call Dr. Don Levy, Director Siena Research Institute at 518-783-2901 (office). Survey cross-tabulations and buying plans can be found at www.siena.edu/sri/ccj