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

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Future Confidence: NY'ers Up, Nation Down
Impact of Gas and Food Prices Hurting Current Outlook
All Buying Plans Increase; Mild Consumer Stimulus Possible

Loudonville, NY - New York State consumer confidence increased 2.7 points in February, while the nation's confidence decreased 4.9 points, according to the latest poll by the Siena (College) Research Institute (SRI). At 60.8, New York's overall consumer confidence is 4.5 points above the nation's* 56.3 confidence level.

February 2009 Consumer Confidence:	The Nation*	New York State	diff. points	New York State	Metro NYC	Upstate NY
Overall	56.3 (-4.9)	60.8 (2.7)	4.5	60.8 (2.7)	63.4 (5.0)	55.6 (-1.5)
Current	65.5 (-1.0)	58.0 (-4.2)	-7.5	58.0 (-4.2)	56.9 (-2.3)	59.5 (-6.5)
Future	50.5 (-7.3)	62.5 (7.0)	12.0	62.5 (7.0)	67.6 (9.7)	53.1 (1.7)

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

In February, buying plans were up for: *cars/trucks*, 1.8 points to 9.5%; *computers*, 3.7 points to 13.1%; *furniture*, 3.4 points to 15.7%; *homes*, 2.2 points to 4.4%; and *major home improvements*, 3.1 points to 14.1%.

“After eleven consecutive months below sixty, overall Consumer Confidence edged across that divide as an increasing number of New Yorkers are starting to believe in a better tomorrow,” according to Dr. Douglas Lonnstrom, professor of statistics and finance at Siena College and SRI Founding Director. **“There is still a very, very long way to go, as a majority of New Yorkers continue to say that they are worse off today than a year ago, and that they expect the bad economy to persist throughout ‘09. But, a growing number of consumers, especially those from New York City, Democrats, and the young, insist that they personally will be better off in a year, and that they can see the economic sun on the horizon. A combination of the Stimulus Plan, and when compared with the nation as a whole, lower unemployment and greater economic stability, has New Yorkers far more bullish about the future than the nation.”**

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):			
February 2009			
(Groups listed in descending order by Overall CCI Rating)			
	Overall	Current	Future
Metro NYC	63.4 (5.0)	56.9 (-2.3)	67.6 (9.7)
Democrats	62.8 (3.8)	56.1 (-2.3)	67.2 (7.8)
Under Age 55	62.4 (1.3)	55.7 (-9.1)	66.7 (8.1)
Men	62.2 (2.6)	60.7 (-5.3)	63.3 (7.8)
New York State	60.8 (2.7)	58.0 (-4.2)	62.5 (7.0)
Lower income	60.8 (4.8)	53.5 (-4.1)	65.5 (10.5)
Republicans	60.2 (-2.2)	65.2 (-6.1)	56.9 (0.2)
Women	59.4 (2.9)	55.4 (-2.6)	62.0 (6.5)
Higher income	59.3 (1.1)	62.6 (-1.5)	57.2 (2.7)
Age 55+	59.0 (3.3)	59.9 (0.0)	58.4 (5.3)
Upstate NY	55.6 (-1.5)	59.5 (-6.5)	53.1 (1.7)

Consumer Confidence and Buying Plans; Summary of Previous 12 Months								
	Consumer Confidence			Buying Plans				
	Overall Index	Current Index	Future Index	Car/Truck	Computer	Furniture	Home	Major Home Improvement
Feb 2008	62.4	65.6	60.3	10.1%	11.1%	17.4%	4.0%	15.4%
Feb 2009	60.8	58.0	62.5	9.5%	13.1%	15.7%	4.4%	14.1%
Difference	-1.6	-7.6	2.2	-0.6	2.0	-1.7	0.4	-1.3
Highest	62.4 (Feb 08)	65.6 (Feb 08)	62.5 (Feb 09)	10.6% (Apr 08)	14.6% (Mar 08)	17.4% (Feb 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 & Jan 09)	7.4% (Oct 08)	10.3% (Nov 08)	2.2% (Jan 09)	10.9% (Nov 08)

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 up from 40% last month. Seventy 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-one 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.

“Despite gas selling for far less than \$4.00 a gallon, recent price increases struck consumers in both their wallet and their psyche. And the cost of groceries took a bigger bite out of the consumer mood across every demographic except those with higher income. New Yorkers would like to get to the end of this financial crisis but they’re afraid they’ll be carpooling and brown bagging in order to get there,” 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			
	Feb 2009	Jan 2009	Dec 2008	July 2008	Feb 2009	Jan 2009	Dec 2008	July 2008	Feb 2009	Jan 2009	Dec 2008	July 2008
Upstate NY	58%	42%	48%	79%	71%	65%	66%	80%	49%	36%	41%	73%
Lower Income	53%	41%	47%	81%	77%	75%	76%	87%	46%	36%	43%	77%
Republicans	52%	40%	46%	80%	65%	62%	66%	76%	44%	33%	40%	72%
Age 55+	49%	40%	42%	76%	67%	66%	64%	79%	41%	34%	36%	69%
Women	48%	41%	44%	81%	74%	70%	67%	84%	43%	36%	39%	75%
New York State	48%	40%	43%	78%	70%	66%	66%	81%	41%	34%	38%	71%
Under age 55	47%	41%	44%	80%	73%	64%	69%	83%	40%	35%	40%	74%
Men	46%	40%	42%	75%	63%	61%	64%	77%	38%	33%	36%	67%
Democrats	46%	39%	41%	76%	71%	68%	68%	83%	40%	34%	37%	68%
Metro NYC	42%	40%	41%	77%	69%	66%	66%	81%	36%	33%	36%	69%
Higher Income	42%	40%	40%	76%	61%	61%	60%	76%	34%	33%	34%	67%

The SRI survey of Consumer Confidence was conducted in February 2009 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 ± 3.1 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