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

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Consumer Sentiment Surges; Index Approaches Pre-Recession Numbers
Overall Buying Plans Flat; Young, Upper Income, Men and Republicans Most Likely to Spend
Gas Price Increases Have Immediate Effect; Upstate, Lower Income Hardest Hit

Loudonville, NY - New York State consumer confidence increased 5.5 points in May, while the nation's confidence increased 3.6 points, according to the latest poll by the Siena (College) Research Institute (SRI). At 67.6, New York's overall consumer confidence is 1.1 points below the nation's* 68.7 confidence level.

| May 2009 Consumer Confidence: | The Nation* | New York State | diff. points | New York State | Metro NYC | Upstate NY |
|-------------------------------|--------------------|-------------------|--------------|-------------------|-------------------|-------------------|
| Overall | 68.7 (3.6) | 67.6 (5.5) | -1.1 | 67.6 (5.5) | 70.2 (5.9) | 63.3 (4.6) |
| Current | 67.7 (-0.6) | 65.6 (4.2) | -2.1 | 65.6 (4.2) | 65.2 (4.5) | 66.7 (3.8) |
| Future | 69.4 (6.3) | 68.9 (6.4) | -0.5 | 68.9 (6.4) | 73.5 (6.8) | 61.1 (5.1) |

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

In May, buying plans were up for: *cars/trucks*, 0.3 points to 11.0%; *furniture*, 1.7 points to 17.9%; and *major home improvements*, 0.1 points to 13.8%. Buying plans were down for: *computers*, 2.5 points to 10.5%; *homes*, 1.2 points to 3.0%.

“Generated more by a lack of unexpected bad news rather than a stream of good news, confidence surged in May nearing the fall of ‘07’s pre-recession level,” according to Dr. Douglas Lonnstrom, professor of statistics and finance at Siena College and SRI Founding Director. **“A plurality of New Yorkers still say their financial picture has worsened over the last year and majorities expect the State’s economy to struggle over the next one and five year periods, but more consumers are starting to believe they will personally not just survive but will prosper. Despite job concerns and the General Motors saga, a silver lining is visible. But, growing confidence has not yet translated into buying plans as a ‘new consumer normal’ defined by cautious optimism and careful spending now reigns.”**

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): | | | |
|--|-------------------|-------------------|-------------------|
| May 2009 | | | |
| (Groups listed in descending order by Overall CCI Rating) | | | |
| | Overall | Current | Future |
| Higher income | 70.8 (7.5) | 70.9 (4.6) | 70.8 (9.5) |
| Metro NYC | 70.2 (5.9) | 65.2 (4.5) | 73.5 (6.8) |
| Democrats | 70.2 (4.7) | 63.7 (3.8) | 74.4 (5.3) |
| Men | 69.6 (6.9) | 69.0 (3.4) | 70.1 (9.3) |
| Age 55+ | 67.9 (6.7) | 66.3 (4.9) | 68.9 (7.8) |
| New York State | 67.6 (5.5) | 65.6 (4.2) | 68.9 (6.4) |
| Under Age 55 | 67.1 (3.5) | 64.4 (3.0) | 68.9 (3.9) |
| Women | 65.6 (3.9) | 62.6 (5.3) | 67.6 (3.1) |
| Republicans | 65.4 (7.0) | 66.0 (2.3) | 65.0 (10.0) |
| Lower income | 63.6 (3.7) | 58.0 (2.3) | 67.2 (4.7) |
| Upstate NY | 63.3 (4.6) | 66.7 (3.8) | 61.1 (5.1) |

| 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 |
| May 2007 | 80.2 | 85.6 | 76.6 | 13.9% | 13.4% | 19.2% | 5.3% | 20.6% |
| May 2008 | 55.7 | 60.3 | 52.8 | 8.5% | 10.8% | 16.8% | 3.7% | 16.9% |
| May 2009 | 67.6 | 65.6 | 68.9 | 11.0% | 10.5% | 17.9% | 3.0% | 13.8% |
| Difference | -12.6 | -20.0 | -7.7 | -2.9 | -2.9 | -1.3 | -2.3 | -6.8 |
| Highest | 82.1 (Jun 07) | 90.9 (Jun 07) | 76.6 (May 07) | 13.9% (May 07) | 16.1% (Jun 07) | 23.1% (Jun 07) | 5.6% (Jun 07) | 20.6% (May 07) |
| 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-six percent of all New Yorkers say that current gasoline prices are having a very serious or somewhat serious impact on their financial condition, up six points from last month. Sixty 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.

“It doesn’t take consumers long to notice an increase in gas prices. A New York minute to be exact. The fifty cent jump at the pump this month immediately registered with New Yorkers as overall now 46%, up from 40%, are troubled by fuel costs. Lower income and upstaters are hit the hardest but every demographic scored an increase in concern over gas prices from four to ten percentage points higher than last month. Household budgets perhaps balanced out a bit as concern over grocery prices dipped to 60% from 64% with lower income New Yorkers and women most affected,” 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 | | | |
| | May 2009 | Apr 2009 | Mar 2009 | July 2008 | May 2009 | Apr 2009 | Mar 2009 | July 2008 | May 2009 | Apr 2009 | Mar 2009 | July 2008 |
| Upstate NY | 56% | 46% | 50% | 79% | 60% | 65% | 69% | 80% | 46% | 40% | 43% | 73% |
| Lower Income | 51% | 45% | 46% | 81% | 70% | 76% | 72% | 87% | 43% | 39% | 41% | 77% |
| Republicans | 50% | 43% | 45% | 80% | 62% | 62% | 61% | 76% | 42% | 36% | 37% | 72% |
| Women | 49% | 43% | 41% | 81% | 70% | 70% | 70% | 84% | 42% | 37% | 37% | 75% |
| Under age 55 | 46% | 40% | 40% | 80% | 62% | 66% | 70% | 83% | 39% | 33% | 36% | 74% |
| New York State | 46% | 40% | 40% | 78% | 60% | 64% | 65% | 81% | 38% | 34% | 35% | 71% |
| Age 55+ | 46% | 40% | 41% | 76% | 60% | 62% | 60% | 79% | 37% | 34% | 34% | 69% |
| Democrats | 43% | 35% | 36% | 76% | 65% | 66% | 66% | 83% | 36% | 31% | 32% | 68% |
| Men | 42% | 37% | 40% | 75% | 52% | 57% | 59% | 77% | 34% | 30% | 32% | 67% |
| Higher Income | 42% | 35% | 37% | 76% | 53% | 55% | 60% | 76% | 33% | 29% | 30% | 67% |
| Metro NYC | 40% | 36% | 35% | 77% | 61% | 63% | 62% | 81% | 34% | 30% | 30% | 69% |

The SRI survey of Consumer Confidence was conducted in May 2009 by random telephone calls to 702 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 ± 3.7 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.