



## ***Ipsos-Reid CASH Index***

**The Index of Consumer Attitudes and Spending by Household:**

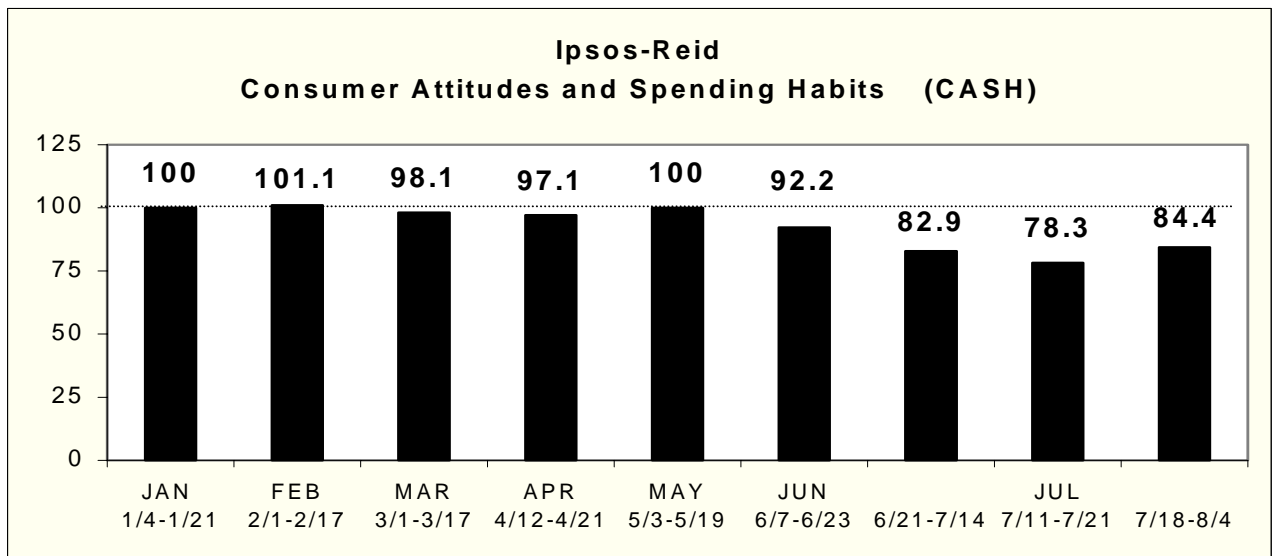
# **Consumer Attitudes Make Solid Recovery**

### **Recovery Across All Key Factors:**

### **Ipsos-Reid CASH Index Still in Negative Territory, But Rising**

WASHINGTON, D.C (August 6, 2002) – The Ipsos-Reid CASH Index—an index of Consumer Attitudes and Spending by Household—stands at 84.4 in the first week of August, down 15.6 points from January 2002, when the index was set at 100, but higher than any results since the June CASH Index surveys.

The Ipsos-Reid CASH Index has fallen to 84.4, but there has been a solid, but marginal recovery in the past two weeks on each of the elements of the index. The dramatic decline in consumer attitudes seen throughout June and July has ended for now. The uptick in the Ipsos-Reid CASH Index in late July-through-early August is significant and real. A new trend line on consumer attitudes has been established, and for now, it is an upward trend line.



Results and index scores for the Ipsos-Reid CASH Index are compiled using rolling averages of two consecutive polls, based on a representative sample totaling 2,000 adults nationwide.

In the current late July-through-early August Index, the deepest negative scores are:

- ❑ **Local Economic Expectations.** Expectations about the future of the local economy are the largest source of doubts. Since January, the percentage of Americans who believe the economy in their local area will improve in the next six months has dropped from 41% in January to 31% today; that is a slight uptick from July.

**Looking ahead 6 months from now, do you expect the local economy in your area to be much stronger, somewhat stronger, about the same, somewhat weaker or much weaker than it is now?**

|                         | 1/6<br>&<br>1/21 | 1/21<br>&<br>2/3 | 2/3<br>&<br>2/17 | 2/17<br>&<br>3/3 | 3/3<br>&<br>3/17 | 3/17<br>&<br>4/14 | 4/14<br>&<br>4/21 | 4/21<br>&<br>5/6 | 5/6<br>&<br>5/19 | 5/19<br>&<br>6/9 | 6/9<br>&<br>6/23 | 6/23<br>&<br>7/14 | 7/14<br>&<br>7/21 | 7/21<br>&<br>8/4 |
|-------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|------------------|
| Much stronger           | 9                | 8                | 8                | 7                | 7                | 7                 | 7                 | 7                | 6                | 6                | 5                | 5                 | 6                 | 6                |
| Somewhat stronger       | 32               | 33               | 32               | 34               | 35               | 33                | 32                | 31               | 31               | 31               | 29               | 25                | 23                | 25               |
| About the same          | 46               | 47               | 48               | 47               | 46               | 47                | 49                | 51               | 52               | 51               | 53               | 56                | 56                | 55               |
| Somewhat weaker         | 9                | 8                | 8                | 8                | 8                | 9                 | 8                 | 7                | 7                | 8                | 9                | 9                 | 10                | 10               |
| Much weaker             | 3                | 3                | 3                | 3                | 3                | 4                 | 3                 | 3                | 3                | 3                | 4                | 4                 | 4                 | 3                |
| <b>Top Box (1,2)</b>    | <b>41</b>        | <b>41</b>        | <b>40</b>        | <b>41</b>        | <b>42</b>        | <b>40</b>         | <b>39</b>         | <b>38</b>        | <b>37</b>        | <b>37</b>        | <b>34</b>        | <b>30</b>         | <b>29</b>         | <b>31</b>        |
| <b>Bottom Box (4,5)</b> | <b>12</b>        | <b>11</b>        | <b>11</b>        | <b>11</b>        | <b>11</b>        | <b>13</b>         | <b>11</b>         | <b>10</b>        | <b>10</b>        | <b>11</b>        | <b>13</b>        | <b>13</b>         | <b>14</b>         | <b>13</b>        |

- ❑ **Confidence in Investments.** Attitudes have flipped on confidence in investments, from 43% more confident to 39% less confident in January to 38% more confident to 49% less confident today. In July, a majority (51%) felt less confident in investments, so that represents a small improvement as well.

**Compared to 6 months ago, are you NOW more or less confident of your ability to invest in the future, including your ability to save money for your retirement or your children's education?**

|                   | 1/6<br>&<br>1/21 | 1/21<br>&<br>2/3 | 2/3<br>&<br>2/17 | 2/17<br>&<br>3/3 | 3/3<br>&<br>3/17 | 3/17<br>&<br>4/14 | 4/14<br>&<br>4/21 | 4/21<br>&<br>5/6 | 5/6<br>&<br>5/19 | 5/19<br>&<br>6/9 | 6/9<br>&<br>6/23 | 6/23<br>&<br>7/14 | 7/14<br>&<br>7/21 | 7/21<br>&<br>8/4 |
|-------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|------------------|
| More confident    | 43               | 42               | 42               | 44               | 42               | 40                | 41                | 44               | 45               | 46               | 45               | 40                | 36                | 38               |
| No Change         | 17               | 16               | 15               | 15               | 16               | 18                | 17                | 15               | 15               | 14               | 14               | 13                | 12                | 11               |
| Less confident    | 39               | 40               | 41               | 40               | 40               | 40                | 39                | 39               | 38               | 38               | 39               | 46                | 51                | 49               |
| <b>Top Box</b>    | <b>43</b>        | <b>42</b>        | <b>42</b>        | <b>44</b>        | <b>42</b>        | <b>40</b>         | <b>41</b>         | <b>44</b>        | <b>45</b>        | <b>46</b>        | <b>45</b>        | <b>40</b>         | <b>36</b>         | <b>38</b>        |
| <b>Bottom Box</b> | <b>39</b>        | <b>40</b>        | <b>41</b>        | <b>40</b>        | <b>40</b>        | <b>40</b>         | <b>39</b>         | <b>39</b>        | <b>38</b>        | <b>38</b>        | <b>39</b>        | <b>46</b>         | <b>51</b>         | <b>49</b>        |

- **Current Personal Financial Situations.** Ratings of current personal finances are evenly divided between positive and negative scores. That has been the consistent pattern throughout the second and third quarters, down from the net positive scores of the first quarter.

**Rate your current financial situation, using a 1-to-7 scale, where 7 means it is very strong and 1 means it is very weak.**

|                           | 1/6<br>&<br>1/21 | 1/21<br>&<br>2/3 | 2/3<br>&<br>2/17 | 2/17<br>&<br>3/3 | 3/3<br>&<br>3/17 | 3/17<br>&<br>4/14 | 4/14<br>&<br>4/21 | 4/21<br>&<br>5/6 | 5/6<br>&<br>5/19 | 5/19<br>&<br>6/9 | 6/9<br>&<br>6/23 | 6/23<br>&<br>7/14 | 7/14<br>&<br>7/21 | 7/21<br>&<br>8/4 |
|---------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|------------------|
| 7, very strong            | 12               | 13               | 11               | 10               | 10               | 9                 | 9                 | 9                | 10               | 10               | 9                | 8                 | 9                 | 10               |
| 6                         | 16               | 17               | 16               | 15               | 14               | 13                | 14                | 14               | 14               | 14               | 14               | 15                | 16                | 15               |
| 5                         | 29               | 28               | 30               | 32               | 32               | 30                | 31                | 32               | 31               | 31               | 31               | 31                | 30                | 31               |
| 4                         | 18               | 19               | 20               | 20               | 20               | 21                | 20                | 19               | 19               | 19               | 20               | 20                | 19                | 19               |
| 3                         | 10               | 9                | 9                | 10               | 11               | 11                | 10                | 9                | 11               | 12               | 12               | 12                | 11                | 11               |
| 2                         | 4                | 4                | 4                | 4                | 4                | 5                 | 5                 | 5                | 5                | 4                | 5                | 5                 | 5                 | 4                |
| 1, very weak              | 9                | 8                | 8                | 8                | 9                | 9                 | 9                 | 10               | 9                | 9                | 8                | 8                 | 9                 | 9                |
| <b>Top Box (7,6)</b>      | <b>28</b>        | <b>30</b>        | <b>27</b>        | <b>25</b>        | <b>24</b>        | <b>22</b>         | <b>23</b>         | <b>23</b>        | <b>24</b>        | <b>24</b>        | <b>23</b>        | <b>23</b>         | <b>25</b>         | <b>25</b>        |
| <b>Bottom Box (1,2,3)</b> | <b>23</b>        | <b>21</b>        | <b>21</b>        | <b>22</b>        | <b>24</b>        | <b>25</b>         | <b>24</b>         | <b>24</b>        | <b>25</b>        | <b>25</b>        | <b>25</b>        | <b>25</b>         | <b>25</b>         | <b>24</b>        |

**Ipsos-Reid CASH Index**  
**(Ipsos-Reid Index of Consumer Attitudes and Spending by Household)**  
**Mid July – Early August 2002**

**Changes Since January 2002**

Current Local Economy

Local Economic Expectations

Current Personal Finances

Personal Financial Expectations

Comfort Level: Major purchases

Comfort Level: Household Budget

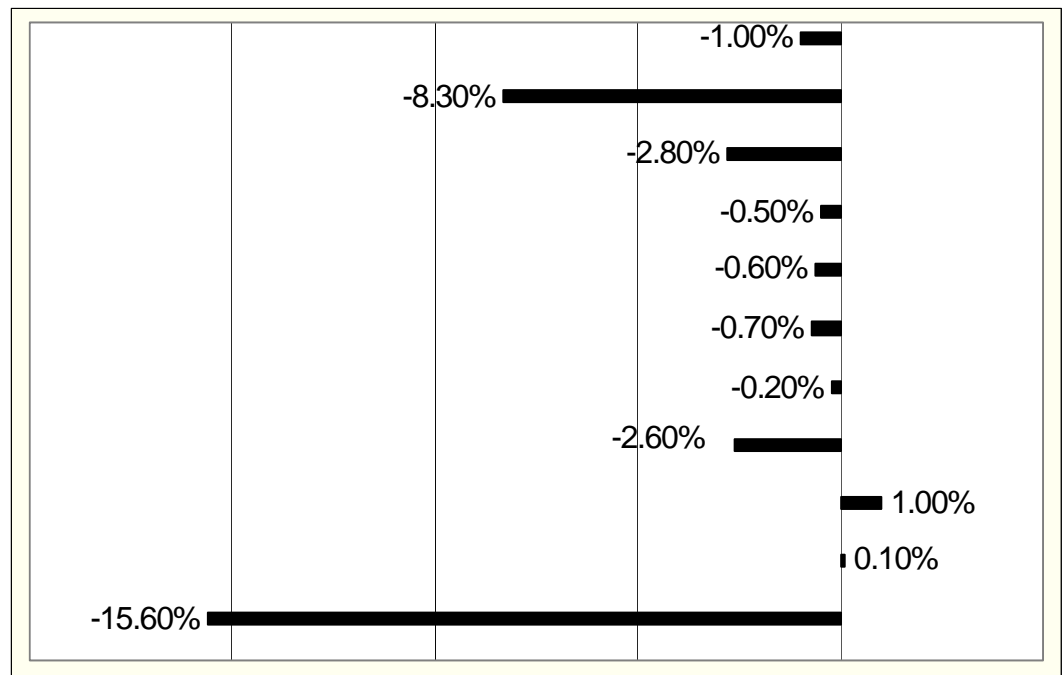
Confidence: Job Security

Confidence: Investments

Job Loss Experience

Job Loss Expectations

**Overall CASH Index 84.4**



**Findings:** In this late July-through-early August study, results are significantly improved from what we measured in July. Three areas of intense negative feelings in July have all improved—local economic expectations are at –8.3, up from –10.8 in July; current personal finances are at –2.8, up from –3.3 in July; and confidence in ability to save and invest for retirement or education is at –2.6, up from –3.1 in July. Moreover, two of the three measures of job security are now in positive territory—in July, each of the ten elements of the CASH Index, including all three job security measures, were down from the January index levels.

**Conclusion:** The dramatic decline in consumer attitudes seen in late June and throughout July has ended for now. The uptick in the Ipsos-Reid CASH Index in late July-through-early August is significant and real. A new trend line on consumer attitudes has been established, and for now, it is an upward trend line.

*The margin of error for the questions on each rolling average of two consecutive surveys totaling 2000 adults is  $\pm 2.2\%$ . The Ipsos-Reid CASH Index comprises 10 questions, covering attitudes about the local economy now and in the future, personal finances now and in the future, comfort with making major purchases and other household purchases, confidence in job security and in the ability to save and invest for retirement or education, and job loss experience for self, friends and family in the recent past as well as job loss expectations for self, friends and family in the near future.*

**For more information on this release, please contact:**

**Thomas Riehle**  
**President**  
**Ipsos-Reid US Public Affairs**  
**202.463.7300**  
[thomas.riehle@ipsospa.com](mailto:thomas.riehle@ipsospa.com)

### **About Ipsos-Reid US Public Affairs**

*The survey was conducted by Ipsos-Reid US Public Affairs, the Washington, D.C.-based division of Ipsos, which is the world's fourth largest polling and market research organization, based in Paris. Ipsos-Reid US Public Affairs is a non-partisan, objective public affairs research organization. It was established in Washington in August 2001, and it is led by Thomas Riehle, who has more than 15 years of experience as a political pollster in Washington.*

*The Ipsos-Reid Consumer Attitudes and Spending by Household (CASH) Index, started in January 2002, is a bimonthly national survey of consumer attitudes on the current and future state of the local economy, personal financial situation and spending, saving and confidence to invest. The Ipsos-Reid Index of Consumer Attitudes and Spending by Household (The Ipsos-Reid CASH Index Poll) and the Ipsos-Reid/Cook Political Report Poll are conducted the first and third week of every month, as part of Ipsos-Reid US Public Affairs weekly omnibus polling services.*