



**Southeastern Consumer Confidence Declines In Third Quarter;  
Region's Residents Still More Positive Than The Rest Of The Nation**

**Washington, DC, October 25, 2005** — Consumers in the Southeast have concerns about the future of the economy, but continue to have a more positive outlook than the rest of the nation, according to a survey of consumer attitudes commissioned by RBC Financial Group (RBC).

"We have seen robust consumer confidence in the Southeast over the first nine months of the year," said Craig Wright, RBC vice president and chief economist. "However, the sharp drop in expectations could signal a shift that would bring Southeastern regional levels in line with the national average."

The RBC CASH Index (Consumer Attitudes and Spending by Household) is a composite measure of national consumer attitudes toward the state of local economies, personal financial situations, savings and investment and job security. The recent nine-month analysis includes a focused look at the Southeast – Georgia, Florida, North Carolina, South Carolina, Virginia - where RBC Centura serves customers through its retail banking network.

"Our customers and the communities we serve throughout the Southeast continue to be positive about the economy," said Scott Custer, RBC Centura CEO and president. "But the hurricanes and high gas prices have understandably made people more skeptical about the future."

The overall RBC CASH Index is further broken down to include four sub indices: the *RBC Current Index* (measuring attitudes toward the present strength of local economies and personal financial situations); the *RBC Expectations Index* (measuring confidence in future economic prospects); the *RBC Investment Index* (measuring consumers' attitudes toward spending and saving for the future); and the *RBC Jobs Index* (measuring attitudes about job security and experiences with job loss).

Southeastern perceptions dipped in every category from June to September, but are still higher than the national average.



January – September 2005	Southeast June 2005	National June 2005	Southeast Sept. 2005	National Sept. 2005
RBC CASH Index	101.0	83.9	90.4	79.1
RBC Current Conditions Index	112.3	91.7	107.1	90.6
RBC Expectations Index	70.8	55.4	48.1	42.6
RBC Investment Index	100.4	86.3	95.5	84.3
RBC Jobs Index	123.7	114.6	119.4	113.9

Baseline of January 2002 = 100

RBC CASH Index Southeastern highlights for the nine-month period include:

- One quarter (24%) of respondents rate their current local economy as strong (6-7 based on a seven-point scale); nationally, fewer than one-in-five (18%) rate their local economy as strong.
- Consumer expectations for the future have declined sharply for the first three quarters of the year to less than half of respondents (48.1%) feeling confident about future economic prospects. That's down from 70.8% in June and more in line with national opinions, which are at 42.6%.
- In the Southeast, those most likely to rate the economy as strong are: men age 45 and older (33%); college degree-holders (33%); those with a total household income of \$75,000 or more (37%); and individuals who feel the country is headed in the right direction (36%).
- Less than one-third (28%) of Southeastern residents feel their local economy will be stronger six months from now; one-quarter (25%) nationally feel so optimistic.
- Southeastern subgroups more likely to believe that the local economy will be stronger six months from now include men age 18 to 44 (34%); and those who feel the country is headed in the right direction (42%).
- Southeastern subgroups with a more pessimistic outlook for the future of the local economy include minorities (24% say the economy will be weaker); those with household incomes less than \$25,000 (22% weaker); and those who feel the country is on the wrong track (28% weaker).

### **RBC Cash Index**

The RBC CASH Index is a monthly national survey of consumer attitudes on the current and future state of local economies, personal financial situations, savings, and confidence to make large investments. The Index is benchmarked against a baseline score of 100, assigned in January 2002 when the Index was introduced. The RBC CASH Index is



conducted by Ipsos Public Affairs. Results in this report include combined interviews of monthly surveys from January 2005 to September 2005. National results include 9,006 total interviews and have a margin of error of +/- 1.05 for all adults. The Southeast regional results include 1,391 total interviews with a margin of error of +/- 2.68 for all adults. The Southeast region covers interviews in Florida, Georgia, North Carolina, South Carolina and Virginia.

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