



Southeastern Consumer Confidence Takes A Hard Hit In 2005

Pessimism Clouds Formerly Sunny Southeast, Views Fall In Line With National Average

Washington, DC, January 23, 2006 — Battered by hurricanes and subsequently plagued by high fuel costs, Southeastern residents' consumer confidence took a precipitous drop in the second half of 2005, according to the RBC Southeastern CASH Index (Consumer Attitudes and Spending by Household) commissioned by RBC Centura.

During the first six months of the year, consumers along the South Atlantic Seaboard (Florida, Georgia, South Carolina, North Carolina and Virginia) had a more positive outlook than the nation. However, following hurricanes Katrina and Rita, confidence in local economies eroded. Now, Southeastern residents mirror national opinions about the economy, with only 33 percent reporting they believe the country is headed in the right direction.

"The increased pessimism about the regional economy has offset more robust consumer confidence in the Southeast over the first six months of the year," said Craig Wright, RBC vice president and chief economist.

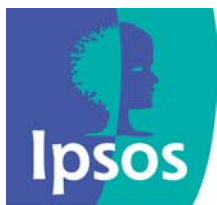
Over the last six months of 2005, consumer confidence in the Southeast experienced declines in all areas measured by the CASH Index, and opinions about job security and the regional economy's future fell below levels reported nationally.

"This is an intriguing development considering the strength of local economies and that the Southeast was leading the nation in consumer confidence only 12 months ago," said Wright.

The CASH Index 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 six-month analysis includes a focused look at the Southeast – Georgia, Florida, North Carolina, South Carolina, Virginia – where RBC Centura serves clients through its retail and commercial banking network.

"After seeing the devastation that hurricanes caused last fall, it's understandable that residents along the South Atlantic Seaboard are concerned about the long-term impact the on the regional and national economy," said Scott Custer, RBC Centura CEO. "The Southeastern CASH Index shows that residents' expectations for the future economy have dropped below anemic national levels."

The overall RBC CASH Index is 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).



2005 January – December	Southeast	National	Southeast	National
	Jan - June	Jan - June	July - Dec.	July - Dec.
	2005	2005	2005	2005
RBC CASH Index	101.0	83.9	74.0	74.8
RBC Current Conditions Index	112.3	91.7	96.5	90.1
RBC Expectations Index	70.8	55.4	16.6	28.4
RBC Investment Index	100.4	86.3	86.1	81.8
RBC Jobs Index	123.7	114.6	114.5	116

Baseline of January 2002 = 100

RBC CASH Index Southeastern highlights for the 12-month period include:

- One-third (33%) of Southeastern residents feel the country is headed in the right direction.
- One quarter (25%) of respondents rate their current local economy as strong (6-7 based on a seven-point scale); nationally, one-in-five (21%) rate their local economy as strong.
 - Subgroups in the Southeast most likely to rate the current local economy as strong include men age 45 or older (34%), college degree holders (32%), those with a total household income of \$75,000 or more (37%), and individuals who feel the country is headed in the right direction (40%).
- One quarter (24%) of Southeastern residents feel their local economy will be stronger six months from now – a substantial drop-off compared to the nearly one-third (31%) of Southeasterners confident in the future of the economy in the January – June 2005 period.
 - Southeasterners with a more pessimistic outlook for the future of the local economy include those with a high school education or less (32% weaker), men without a college education (40% weaker), rural residents (35% weaker), those with a household income less than \$25,000 (33% weaker), and those who feel the country is on the wrong track (34% 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 CASH Index is benchmarked against a baseline score of 100, assigned in January 2002 when the Index was introduced. The CASH Index is conducted by Ipsos Public Affairs. Results in this report include combined interviews of monthly surveys from July 2005 to December 2005. National results include 6004 total interviews and have a margin of error of +/- 1.3 for all adults. The Southeast regional results by RBC Centura include 908 total interviews with a margin of error of +/- 3.3 for all adults. The Southeast region covers interviews in Florida, Georgia, North Carolina, South Carolina and Virginia.

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