



### **U.S. Consumer Confidence Rebounds In Wake Of Mid-Term Elections, According To RBC CASH Index**

**New York, NY, November 17, 2006** — With exit polls showing that the economy was an important factor to voters as they cast their ballot in last week's mid-term elections, Americans seem to be more optimistic about the future in the wake of the shift in control of Congress. According to the most recent results of the RBC CASH (Consumer Attitudes and Spending by Household) Index, which measured the attitudes of 1,000 Americans earlier this week, consumer sentiment gained nearly nine points this month as the outlook of Americans brightened across the board. As a result, the RBC CASH Index, released today by RBC Financial Group, increased to 92.4 this month, compared to 83.1 in October.

"The post-election rebound in consumer confidence is supported by economic and financial data," said T.J. Marta, Economic and Fixed Income Strategist for RBC Capital Markets. "The S&P 500 has reached record highs, unemployment is at its lowest rate since 2001, personal income growth has trended to its highest rate since 2000 and gasoline prices remain near their lows for the year. Housing does remain an issue, but the correction is mitigated by mortgage rates, which are near their lowest level of the year."

The RBC CASH Index is a monthly national survey of consumer attitudes on the current and future state of local economies, personal finance situations, savings and confidence to make large investments. The Index is composed of four sub-indices: RBC Current Conditions Index; RBC Expectations Index; RBC Investment Index; and, RBC Jobs Index. The Index is benchmarked to a baseline of 100 assigned at its introduction in January 2002. This month's findings are based on a representative nationwide sample of 1,000 U.S. adults polled from November 13 -15, 2006 by survey-based research company Ipsos Public Affairs. The margin of error was plus or minus 3.1 per cent. Highlights of the survey results include:

- Americans' economic expectations increased dramatically this month, bringing the **RBC Expectations Index** for November to 60.5, compared to 39.8 last month. This represents the highest level of confidence in future economic conditions since January 2005, when expectations stood at 79.6. While expectations for personal finances basically held steady in November, 34 per cent of Americans believe their personal finances will be stronger six months from now compared to 37 per cent last month, overall sentiment regarding expectations for local economies rose sharply. This month, 27 per cent of Americans believe their local economy will be stronger six months from now, compared to 21 per cent who felt similarly in October.

The **RBC Current Conditions Index** for November stands at 102.9, increasing slightly after a sharp drop of 20.5 points last month. November is the fourth month this year that this index has surpassed 100. Currently one-quarter (24 per cent) of American consumers rate their local economy as strong (unchanged from October 2006). Similar proportions of consumers (27 per cent) rate their current financial situation as strong.

- Consumer opinions regarding the investment climate also improved this month. The **RBC Investment Index** for November stands at 92.1, up nearly five points from the 87.2 level observed in October. Just over one-third (34 per cent) of Americans report they are more comfortable making a major purchase like a car or home this month, (unchanged from October 2006). Consumer comfort levels for making other household purchases also held steady in November. Currently, 39 per cent of American consumers report they are more comfortable making other household purchases. Other aspects of investing confidence showed similar resiliency. Consumer opinions regarding the ability to invest in the future (including the ability to save for retirement or children's education) remained steady, with more than four in ten (43 per cent) Americans reporting they are more confident in their ability to invest in the future.



- Americans' attitudes regarding stock market and real estate investments remained unchanged in November 2006. Nearly four in ten (39 per cent) consumers believe the next month will be a good time to buy real estate. Attitudes regarding real estate investment are roughly the same as they were one year ago (42 per cent said it would be a good time in November 2005). More than four in ten (44 per cent) American consumers believe the next month will be a good time to invest in the stock market, compared to 41 per cent last month.
- Job security continues to be a bright spot for consumers, as Americans' confidence regarding job security held steady in November. The **RBC Jobs Index** stands at 121.3 this month, compared to 119 in October, as all three indicators of job security remained steady. Four in ten (43 per cent) consumers report they are more confident about current job security than six months ago. Personal job loss experience remained unchanged, with one-third (32 per cent) of Americans reporting that they or someone they know personally have lost their job as the result of economic conditions. Expectations regarding future job loss also remained low this month, with only one in five (18 per cent) Americans reporting future job loss is likely, unchanged from October.

The entire RBC CASH Index report can be viewed at: [www.rbc.com/newsroom/rbc-cash-index.html](http://www.rbc.com/newsroom/rbc-cash-index.html).

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