



RBC CASH Index: U.S. Consumer Confidence Rebounds in April, Boosted by Solid Increase in Expectations for the Future

New York, NY, April 9, 2009 — Reversing seven months of crumbling confidence, Americans' economic enthusiasm rallied this month, according to the most recent results of the RBC CASH (Consumer Attitudes and Spending by Household) Index, which posted its first significant improvement since September 2008. Overall consumer confidence advanced 30.1 points, bringing the RBC CASH Index to 38.3 in April, compared to 8.2 in March. Consumer sentiment was bolstered by a 58.3 point increase in Americans' expectations for the future. Americans' attitudes about current conditions and investing also increased in the past month, but they continue to worry about jobs.

"The April readings provide more evidence of a stabilization in consumer spending," said Larry Miller, managing director, RBC Capital Markets. "Stabilization does not mean recovery, but is a far better prospect than the free fall of late last year. Whether this translates into an improvement in consumer spending is another ball game, and one that is far too early to call."

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 April 2 - 6, 2009, by survey-based research company Ipsos Public Affairs. The margin of error was ± 3.1 per cent.

Highlights of the survey results include:

- Advancing out of negative territory for the first time in 2009, the **RBC Expectations Index** increased 58.3 points to 32.4 from its -25.9 reading in March. The shift in the index is due largely to an improvement in Americans' expectations for their local economy and personal financial situation. In April, nearly four-in-ten consumers (39 per cent) believe their community's economy will be stronger in the next month, compared to 30 per cent in March, while only 21 per cent believe it will continue to weaken, compared to 30 per cent last month. In addition, only 13 per cent of Americans expect their personal financial situation to weaken over the next six months, compared to 18 per cent in March.
- The **RBC Current Conditions Index** improved markedly in April to 35.8, compared to 14.8 in March. This is the second consecutive month of gains in the **RBC Current Conditions Index** and the largest month-to-month increase in current conditions since September 2006. Americans' assessments of their current personal financial situation as weak dropped to 30 per cent this month, compared to 35 per cent in March. In addition, this month only 41 per cent of consumers rate



their current local economic conditions as weak, compared to 47 per cent last month.

- Consumers' overall opinions regarding investing improved significantly this month sending the **RBC Investment Index** to a reading of 44.8, up 20.2 points from 24.6 in March. The increase in the index is being driven by improving attitudes toward stock and real estate investments. Consumers reporting that the next 30 days will be a bad time to invest in the stock market dropped to 61 per cent, down from 70 per cent last month. More than half of consumers (51 per cent) believe the next month will be a good time to buy real estate, compared to 43 per cent in March. This month is the first time a majority of Americans think real estate is a good investment since the housing bubble became apparent in 2005.
- After dropping for six consecutive months, the **RBC Jobs Index** edged up 4.4 points in April to 45.2, compared to 40.8 last month. Although consumers continue to be peppered with bad news on the jobs front, Americans' confidence regarding overall job security held steady, but remains very low. This month, the share of consumers who are more confident in their job security now than they were six months ago held steady at 19 per cent, compared to 18 per cent in March. In addition, 37 per cent of Americans say it is likely that they or someone they know will lose their job in the next six months, compared to 39 per cent last month.

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

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