



RBC CASH Index: Consumer Confidence Rises for Third Consecutive Month

More Than Half of Consumers say Country is Now On the Right Track

New York, NY, May 7, 2009 — Driven by reduced concern about current economic conditions and diminishing fears of job loss, U.S. consumer sentiment continued to rebound this month, according to the most recent results of the RBC CASH (Consumer Attitudes and Spending by Household) Index. As a result, the overall RBC CASH Index stands at 43.0 for May 2009, up from 38.3 in April and from 1.6 in February, its all-time low. This is the first three-month rally for the Index since the last quarter of 2005.

"Better-than-expected news about the economy and corporate earnings is helping consumers to recognize that the worst is behind us," said RBC Capital Markets Managing Director Larry Miller. "Their growing confidence is seen in the continued improvement of the RBC Jobs Index, which suggests that consumers have less fear of losing their jobs. That may lead to a revival in spending, further driving economic recovery."

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 May 1-5, 2009, by survey-based research company Ipsos Public Affairs. The margin of error was ± 3.1 per cent for all respondents.

Highlights of the survey results include:

- The **RBC Jobs Index** saw a rise of 9.2 points in May to 54.4, compared to 45.2 last month, the second consecutive increase in the Jobs Index following six straight months of declines. Typically, declines in the feeling of job security follow real experiences in job loss, but this time confidence is improving even while unemployment is still growing nationally. Expectations for future employment show the strongest improvement: Thirty-two per cent of consumers say it is likely that they or someone in their family or friends will lose their job in the next six months, down from 42 per cent in February.
- The **RBC Expectations Index** showed little change in May, holding at 34.0, up 1.6 points from the 32.4 observed in April. Currently, 36 per cent of consumers believe the economy in their community will be stronger in the next month, while only 20 per cent believe it will continue to weaken, roughly the same split as in April.
- The **RBC Current Conditions Index** currently stands at 45.0, up 9.2 points from last month's 35.8. Consumers' confidence in both their local economy and their personal finances continued to show small improvements in May. The share of



consumers who say that their personal financial situation is strong rose slightly this month, to 25 per cent, compared to 23 per cent in April.

- The **RBC Investment Index** currently stands at 49.6, up 4.8 points from April's 44.8. While most of the increase in investment confidence stems from improvements in respondents' personal financial condition, consumers are also showing growing comfort with investment and major spending. The number of consumers who say they are confident about investing for the future edged up to 28 per cent this month, up from 24 per cent last month.

"Consumers aren't ready to celebrate, but they clearly are regaining confidence in the economy and their own personal prospects. That is important, because genuine economic recovery will be the result of millions of Americans having enough confidence to get off the sidelines and start spending and investing again," said Miller.

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

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