



RBC CASH Index: Dog days: U.S. consumer sentiment flat at summer's end, according to RBC IndexPositive economic news and rising markets driving improved consumer confidence, but Jobs Index remains low

New York, NY, September 3, 2009 - Although consumers' hopes for their local economies and personal finances improved in the past month, the most recent results of the RBC CASH (Consumer Attitudes and Spending by Household) Index rose by only 2.5 points to stand at 40.0 -- up from a 37.5 reading in August. While the Index reached its highest level since May, a close reading of the results finds consumers remaining cautious about economic recovery.

"The top-line RBC Index continues to rise, but consumers clearly remain cautious," said RBC Capital Markets U.S. economist Tom Porcelli. "The headline received a boost from expectations about the future, but the here-and-now 'current conditions' index fell yet again. Given the strong relationship that exists between the current conditions index and consumer spending, this is not an encouraging signal, as the rise in the overall RBC Index should be taken with a grain of salt."

The RBC 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 August 27-31, 2009, by survey-based research company Ipsos Public Affairs. The margin of error was ± 3.1 per cent.

Although consumer sentiment reached its highest level since May after a volatile summer, there were mixed results in the RBC Index's four sub-indices, which measure consumers' views of current conditions, their expectations for the future and their confidence in investing and job security. Highlights of the survey results include:

- After rebounding strongly in August, consumers' expectations regarding future economic conditions continued to improve at a slower rate this month as the **RBC Expectations Index** for September 2009 climbed to 41.5, up 12.4 points to reach its highest level in 2009. Currently, 38 per cent of consumers believe the economy in their community will be stronger in the next six months while 18 per cent believe it will continue to weaken. Two months ago, consumers were split much more closely on this question, 31 per cent/24 per cent.
- Confidence in current conditions resumed a slight downward drift, with the **RBC Current Conditions Index** for September 2009 standing at 33.2, down 3.4 points from the August 36.6 reading. Vacations and back-to-school expenses contributed to a downturn in confidence in personal



finances. The percentage of consumers saying their personal financial situation is weak has increased to 37 per cent in September from 32 per cent last month. However, consumers are slightly more confident about their local economy than they were in August. Currently, only 42 per cent of consumers say the local economy is currently weak, an improvement from the 44 per cent who said their local economy was weak last month.

- The **RBC Investment Index** slipped 7 points this month to 36.9 from a 43.9 level in August. Confidence in investing is shaky, with just 34 per cent of consumers saying that now is a good time to invest in the markets and 48 per cent recommending investing in real estate. At the same time, the number of consumers who feel confident about investing for the future continues to improve, climbing to 31 per cent this month, from 28 per cent in August.
- Reported job loss continues to inch downward, and the **RBC Jobs Index** for September remains near its historical low, essentially holding steady at 53.5, up 0.3 points from the 53.2 observed in August. The most significant influence on confidence in job security continues to be real experiences in job loss: Currently, 63 per cent of consumers say they or someone in their close circle has lost a job in the last six months. However, this marks a decline over the peak job-loss rate of 65 per cent observed in May through July.

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

For more information on this release, please contact:

Michael Gross, Ph.D.
Director
Ipsos Public Affairs
(202) 463-7300
publicaffairs@ipsos-na.com

About Ipsos

Ipsos is a leading global survey-based market research company, owned and managed by research professionals that helps interpret, simulate, and anticipate the needs and responses of consumers, customers, and citizens around the world. Member companies assess market potential and interpret market trends to develop and test emergent or existing products or services, and build brands. They also test advertising and study audience responses to various media, and measure public opinion around the globe. They help clients create long-term relationships with their customers, stakeholders or other constituencies. Ipsos member companies offer expertise in advertising, customer loyalty, marketing, media, and public affairs research, as



well as forecasting, modeling, and consulting and offers a full line of custom, syndicated, omnibus, panel, and online research products and services, guided by industry experts and bolstered by advanced analytics and methodologies. The company was founded in 1975 and has been publicly traded since 1999.

In 2008, Ipsos generated global revenues of €979.3 million (\$1.34 billion U.S.). Visit www.ipsos.com to learn more about Ipsos offerings and capabilities.

Ipsos, listed on the Eurolist of Euronext – Comp B, is part of SBF 120 and the Mid-100 Index, adheres to the Next Prime segment and is eligible to the Deferred Settlement System. Isin FR0000073298, Reuters ISOS.PA, Bloomberg IPS:FP

About RBC Financial Group

Royal Bank of Canada (TSX, NYSE: RY) uses the initials RBC as a prefix for its businesses and operating subsidiaries, which operate under the master brand name of RBC Financial Group. Royal Bank of Canada is Canada's largest bank as measured by assets, and is one of North America's leading diversified financial services companies. It provides personal and commercial banking, wealth management services, insurance, corporate and investment banking, and transaction processing services on a global basis. The company employs approximately 60,000 people who serve more than 14 million personal, business and public sector clients through offices in North America and some 30 countries around the world. For more information, please visit www.rbc.com.

Media contacts:

Loretta A. Healy, The Hubbell Group, Inc., (781) 878-8882
Kait Conetta, RBC, (212) 428-6409