



RBC CASH Index: Season of good cheer: U.S. consumer confidence twice as strong as a year ago

New York, NY, December 10, 2009 - After sliding for much of the fall, consumer confidence climbed in the past month and is now more than twice as strong as it was a year ago, according to the most recent results of the RBC CASH (Consumer Attitudes and Spending by Household) Index. Driven by a strong upswing in expectations for the near-term economic future, the RBC Index for December 2009 stands at 39.0, up 8 points from November's 30.2 reading. A year ago, in December 2008, the RBC Index stood at 15.3.

"Traditionally, the holidays are a season of hope and optimism. Despite continuing high unemployment and weak assessments of personal finances, the RBC Index shows that American consumers are optimistic that the economy will soon begin to improve," said RBC Capital Markets U.S. economist Tom Porcelli. "However, overall consumer confidence remains low and susceptible to negative news, which could create more pointed fluctuations in consumer confidence in the near- to medium-term period."

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 1,002 U.S. adults polled from December 3-6, 2009, by survey-based research company Ipsos Public Affairs. The margin of error was ± 3.1 per cent.

Improvements this month were seen across all facets of consumer confidence as reflected in the RBC Index's four sub-indices. Highlights of the survey results include:

- Confidence in current conditions improved in the last month, with the **RBC Current Conditions Index** for December 2009 standing at 37.0, up 8 points from the November reading of 28.8. Consumers report they are more comfortable purchasing not only household products but also major items such as a house or car. However, the percentage of consumers rating their personal financial situation as "weak" remains at roughly one-third; in comparison, only 21 per cent rate their current personal finances as strong.
- Consumer expectations for the near-term economic future improved significantly in December, driven primarily by increasingly positive attitudes regarding the local economy. This movement, coupled with marginal improvements in expectations for personal finances, helped the **RBC Expectations Index** for December jump to 40.4, an 18-point increase from the 21.9 reading in November.



- The **RBC Investment Index** climbed 10 points this month, to 46.9 from a 36.6 level in November. The improvement in investment confidence stems from both increasing confidence in the ability to invest in the future. Gains in investment confidence and the stability of assessments of personal finance contribute to the improvement. Among the groups expressing more confidence were young people (under age 35), African-Americans and Hispanics.
- The **RBC Jobs Index** for December edged up 0.5 points to stand at 51.4, compared to 50.9 in November. Six in ten consumers (62 per cent) report they are less confident about job security (compared to 66 per cent in November). Confidence in the job market has held steady over the past month despite more Americans saying they or someone in their close circle has lost a job in the last six months. Seven-in-10 Americans (71 per cent) personally know someone who has lost a job, up from 66 per cent in November.

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

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