



RBC CASH Index: New year off to strong start: U.S. consumer confidence reaches highest level since September 2008

New York, NY, January 14, 2010 - After declining throughout much of 2009, American consumer confidence improved sharply this month, returning to levels not seen since the financial crisis began in September 2008, according to the most recent results of the RBC CASH (Consumer Attitudes and Spending by Household) Index. Driven by the largest-single-month gain in expectations for jobs since the inception of the Index eight years ago, the RBC Index for January 2010 stands at 58.3, up 19.3 points from its December 2009 reading of 39.0.

"This month's RBC Index has risen to levels not seen since the financial crisis hit with full force," said RBC Capital Markets U.S. economist Tom Porcelli. "The latest increase seems to be based on the recent string of positive economic news. This bodes well for continued improvement in consumer confidence, which will be crucial to economic recovery."

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 January 7-10, 2010, by survey-based research company Ipsos Public Affairs. The margin of error was ± 3.1 percent.

Highlights of the survey results include:

- Americans' confidence in the job market improved dramatically this month, as evidenced by a 16.5 point increase in the **RBC Jobs Index** to 67.9 - the largest single-month gain ever observed in the Index. Declining job losses correspond with consumers' sense of job security - according to the Index, 30 percent of consumers feel more confident about their jobs. Likewise, concern that job losses are looming has declined over the last month. Personal job loss experience improved in January, with 62 percent of consumers reporting job loss in their immediate circle, compared to the high of 71 percent in December.
- Consumers' economic outlook also brightened considerably this month, sending the **RBC Expectations Index** to 67.6, up 27.2 points from December's level of 40.4 and the highest level since September 2008. An increase in consumer's expectations for both their local economies and their personal finances coupled with gains in job security resulted in the overall Expectations Index improving. Currently, 38 percent of consumers believe the economy in their community will be stronger six months from now (compared to 35 percent last month), while only 15 percent believe it will continue to weaken (compared to 19 percent in December.)
- Fueled by a striking increase in consumer optimism, the **RBC Current Conditions Index** also reached a 15-month high in January as it climbed to 51.6, up 14.6 points from last month's reading of 37.0. The percentage of consumers rating their personal financial situation as strong increased to 25 percent this month from 21 percent in December. The



share of Americans' rating their personal financial situation as weak held steady at 32 percent, the same reading as in December.

- Mirroring the improvement in the overall index and the current conditions index, the **RBC Investment Index** advanced 11.2 points this month to 58.1, compared to December's 46.9 level. Consumers who feel confident about investing for the future held steady in January at 33 percent more confident, compared to 35 percent in December. Consumer comfort levels for investing in the stock market also edged up, with 37 percent saying that now is a good time to invest in the stock market, compared to 32 percent in December. Americans are also feeling more confident about investing in real estate. In January, 44 percent of consumers said they believe the next month will be a good time to buy real estate, compared to only 41 percent last month.

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

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