

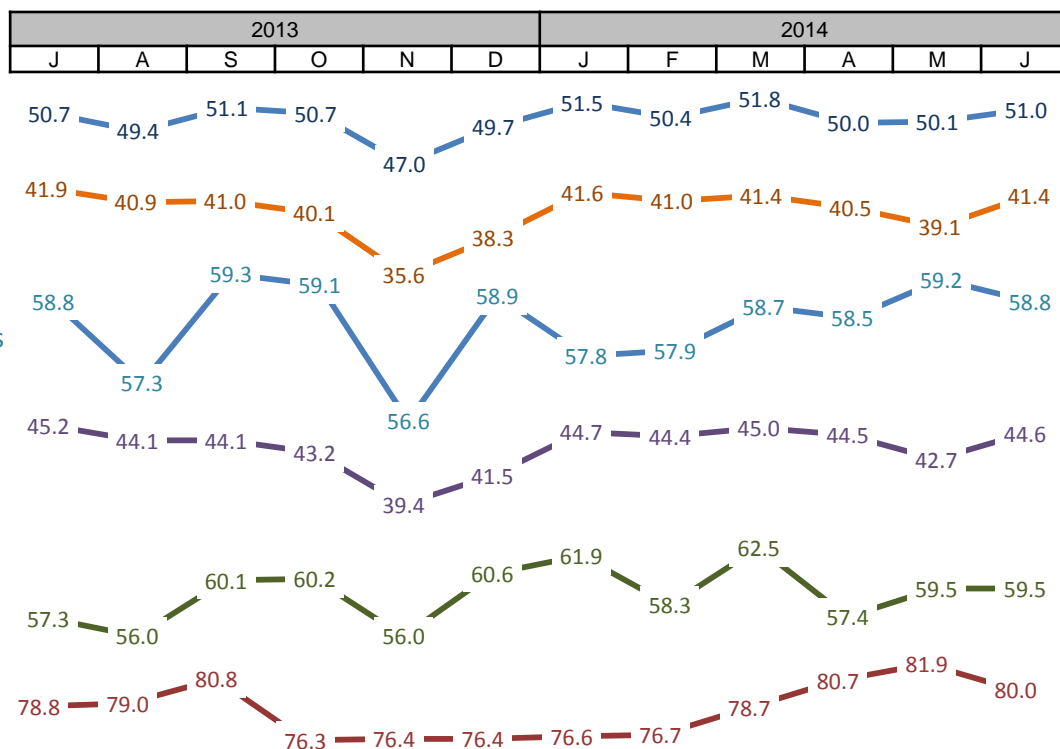
The survey is conducted online via Ipsos' national I-Say Consumer Panel with 1,000 Americans. Data is weighted to balance demographics and ensure that the sample's composition reflects that of the adult population according to Census data. The *COI*, *Current*, *Expectations*, *Investment* and *Jobs* Indices are calculated from the aggregate responses and are based on 0-100 point scales.

Consumer Confidence Continues to Stagnate

- June's *RBC Consumer Outlook Index* shows a slight uptick in American consumer confidence, with the overall index score at 51.0, up nearly a point from last month. Since January of this year, the overall index score has consistently stayed between 50 and 52 points. This month shows mostly steady increases with one notable decrease in the *RBC Inflation Index*.
- The overall *RBC Consumer Outlook Index* shows an increase to 51.0, up 0.9 points from last month.
 - The *RBC Jobs Index* remains stable from last month with a score of 59.5, after a moderate uptick in May of this year.
 - The *RBC Current Conditions Index* shows movement, up 2.3 points to 41.4 and is the biggest mover from this month's indices.
 - The *RBC Investment Index* increases slightly over the past month with a score of 44.6, up from May's score of 42.7.
 - The *RBC Expectations Index* has declined by 0.4 points from last month's score of 59.2, coming to a score of 58.8 for June.
 - The *RBC Inflation Index* has decreased after eight months of stable or increasing scores. This month's score is 80.0, dropping nearly two points from last's month's record high of 81.9.

RBC Consumer Outlook Index and Sub-Indices

July 2013-June 2014



Historical
average

49.2

41.4

57.9

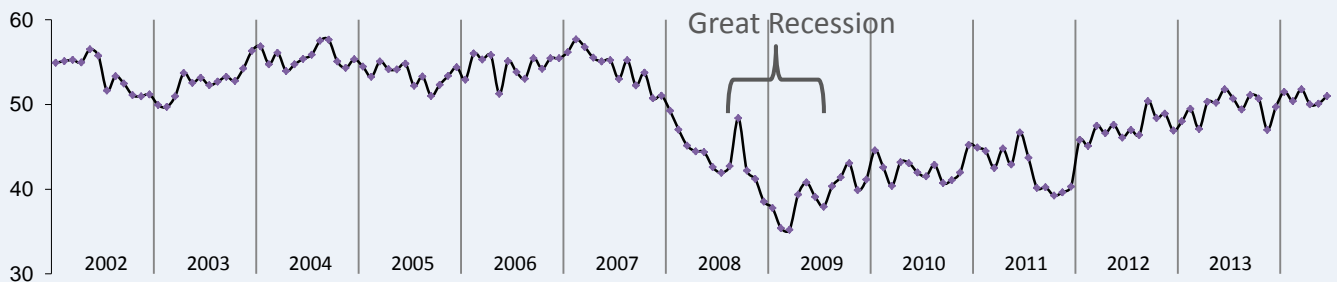
44.8

54.4

76.3

Consumer Outlook Index Trend

Graph 1: COI 2002-2014

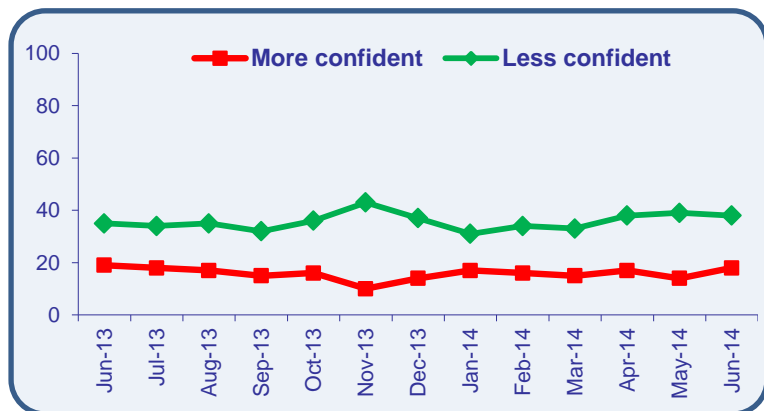


- Graph 1 presents the trend for the Consumer Outlook Index since it began in 2002. The most prominent event is the great recession in 2008-2009. Since then noteworthy periods include the brief crash in confidence observed Q3-Q4 of 2011 (corresponding with the first debt crisis in Washington) and the slow, fitful improvement of confidence over the rest of 2012 and 2013. However since the second quarter of 2013, the rally has mostly stalled with minimal improvement in confidence over the past year.

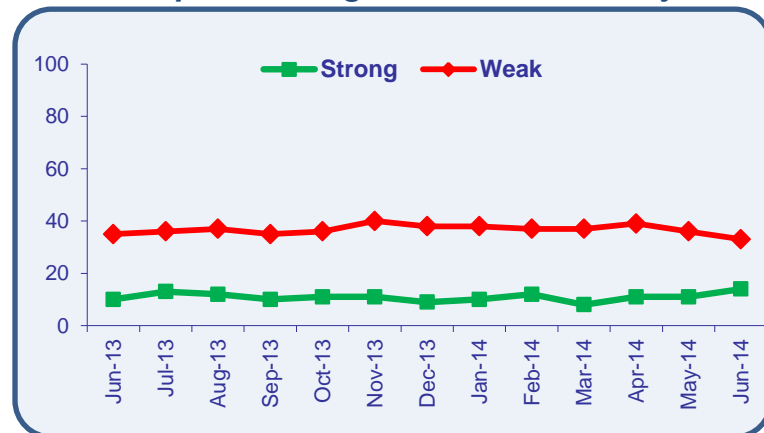
Detailed Findings of the Consumer Outlook Survey

- Overall, the American economy remains stable with a few key factors keeping consumers' confidence up.
- Americans are growing more optimistic about job security for themselves and those in their close circles. Nearly one fifth of Americans (18%) are more confident about job security than they were six months ago. This is in comparison to only one tenth (10%) of Americans who were more confident in November of the previous year (Graph 2).
 - The percentage of Americans who have not experienced a change in job security confidence is the largest group, with two fifths of Americans noting no change in confidence (40%).
- In addition to retrospective job security, Americans are more confident in the strength of their local economies. This month, more Americans call their local economies strong than in any previous month (14%). Additionally, the lowest number of Americans describe their local economies as weak than in any prior month (33%) (Graph 3).

Graph 2: Job Confidence



Graph 3: Strength of Local Economy



Detailed Findings of the Consumer Outlook Survey, cont.

- Confidence in the local economy translates into confidence in personal finances, which translated into stability.
- Nearly a fifth of Americans (18%) describe their personal financial situation as strong. This score has been increasing since earlier this year (Graph 4).

- A feeling of confidence in their personal finances encourages more Americans to feel that they can spend, which in turn, creates a stronger local economy.

- In addition to retrospective job security and stronger local economies, Americans are seeing decreases in inflation in a key area, gasoline and fuel (Graph 5).

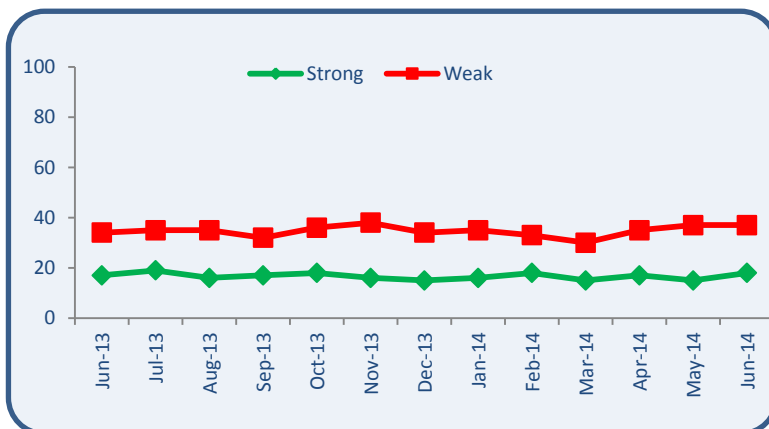
- After several months of seeing major increases in gasoline and fuel prices, Americans are seeing a nearly ten point decline (38% from 46%) in major increases in gasoline and fuel prices.

- Lower fuel costs gives Americans makes Americans feel that they have more money in their wallets when they go to the pump. This contributes to Americans' overall feelings of stability regarding the economy.

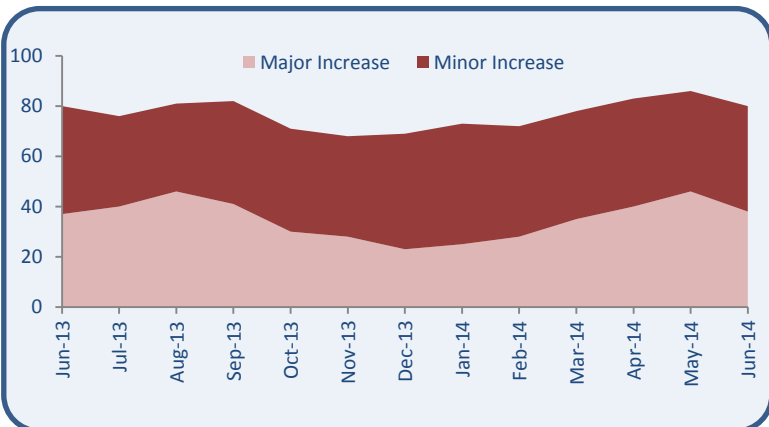
- After several months with a pessimistic outlook, Americans are growing more confident about the future of the American economy and their personal financial situation as well (Graph 6).

- More than half of Americans (51%) believe that the economy will remain the same over the next year. This is the highest score for this number that has been recorded.
- The number of Americans who believe that the economy will get worse is the lowest number recorded this year (23%).

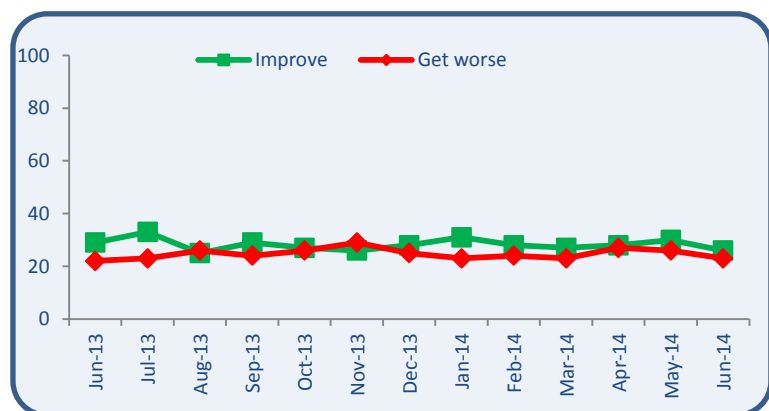
Graph 4: Strength of Personal Finances



Graph 5: Changing Gas and Fuel Prices



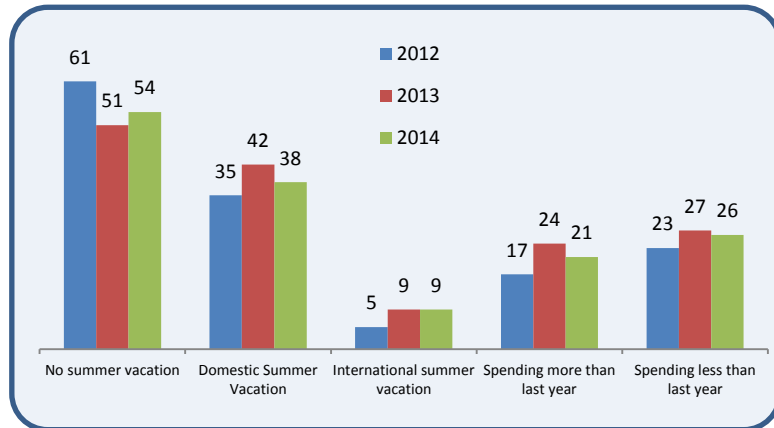
Graph 6: Future American Economy



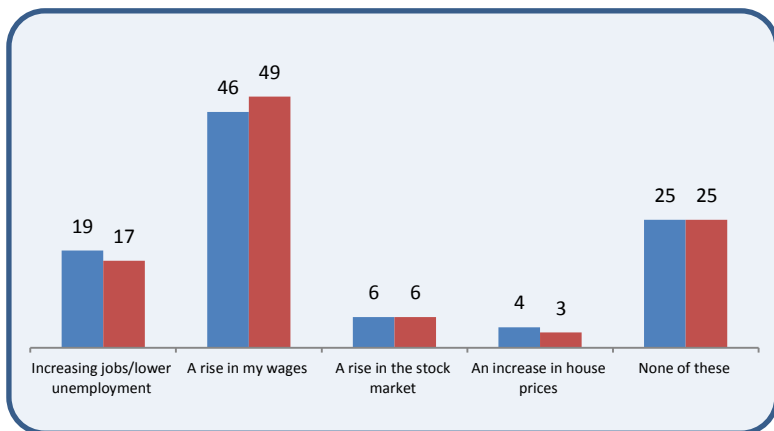
Detailed Findings of the RBC Custom Questions

- As the summer approaches, Americans are planning their summer travel (Graph 7).
 - The majority of Americans do not plan on taking a summer vacation this year (54%).
 - Of those Americans that are taking a summer holiday, nearly one tenth (9%) plan to travel internationally.
- When it comes to what might give them more financial confidence, most Americans (49%) name higher wages to the main reason to spend more than they normally would (Graph 8).
 - Last year, slightly more Americans named increasing jobs and lower unemployment generally as the primary reason to spend more than they normally would (19%). This year, Americans are able to consider their own financial situation, rather than the status of the economy as a whole.
- While Americans' spending confidence has increased, Americans are still wary of debt related items (Graph 9).
 - Overall, Americans say they maintain the same level or less comfort with the idea of debt driven spending, either via loans or credit card debt.
 - When compared with the previous year, Americans remain more comfortable with credit cards than they are with loans from a bank (for 2014, 48% and 33%, respectively).

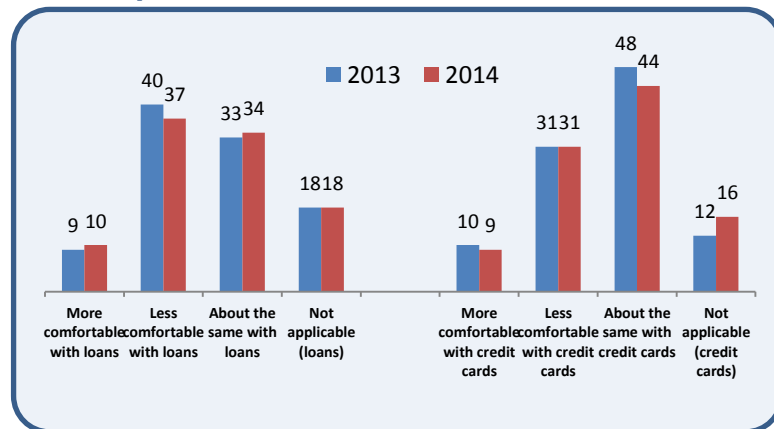
Graph 7: Summer Travel Plans



Graph 8: Confidence in Spending



Graph 9: Comfort with Loans/Credit Cards



The RBC Consumer Outlook Survey and Index are conducted and calculated by Ipsos Public Affairs. The information contained herein has not been independently verified by RBC Capital Markets.

For questions, comments or concerns, please contact Chris Jackson with Ipsos: (o) 202.420.2025. chris.jackson@ipsos.com or Kaitlin Conetta with RBC: (o) 212.428.6409. kait.conetta@rbccm.com