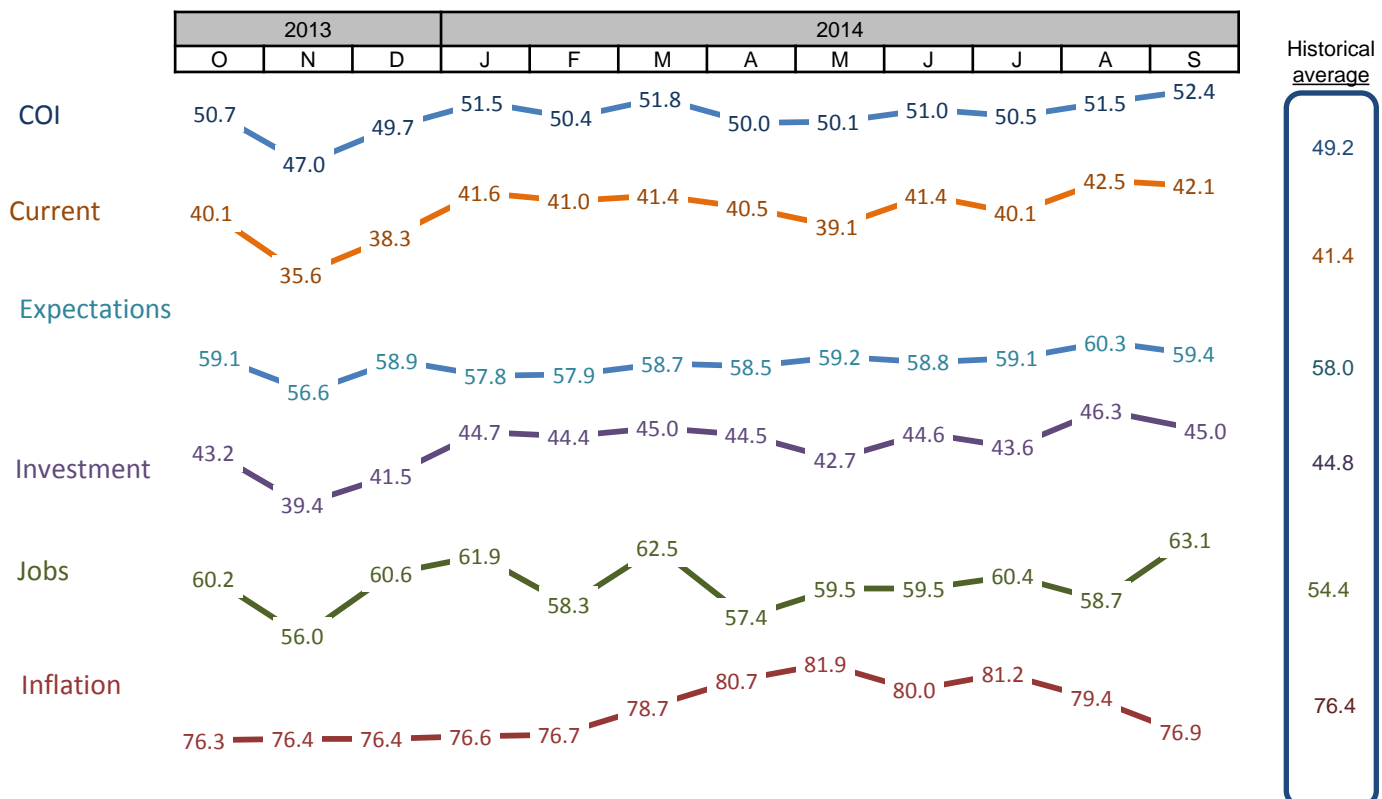


The survey is conducted online via Ipsos' national I-Say Consumer Panel with 1,000 Americans. Data is weighted to balance demographics and ensure that the sample's composition reflects that of the adult population according to Census data. The *COI*, *Current*, *Expectations*, *Investment* and *Jobs*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

Consumer Confidence Remains High for Start of Second Half of the Year

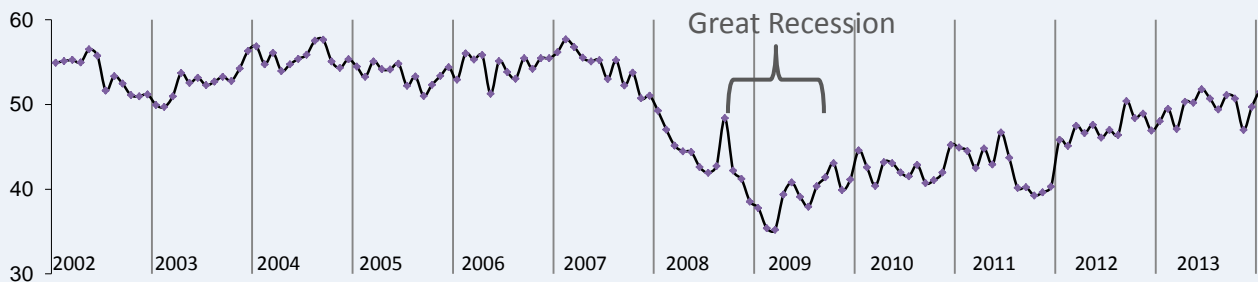
- September's *RBC Consumer Outlook Index* continues its slow upward movement, up about 1.0 point from August, however the overall impression of stability in confidence continues. Since January of this year, the overall index score has consistently stayed between 50 and 52 points with this month marking the high point for the year.
- The overall *RBC Consumer Outlook Index* shows overall confidence at 51.5, up 1 point from last month.
 - The *RBC Jobs Index* is up this month with a score of 63.1. However, this is driven mostly by fewer reports of job loss in the last 6 months and its too early to call it a definitive trend
 - The *RBC Investment Index* goes down back to March levels of 45.0; down 1.3 points this month from August's score of 46.3.
 - The *RBC Current Conditions Index* is virtually stable this month, after the upward movement registered in August.
 - The *RBC Expectations Index* is down marginally from last month with a score of 59.4.
 - The *RBC Inflation Index* has dropped again this month. The current score of 76.9 is the lowest score we've seen since March of this year.

RBC Consumer Outlook Index and Sub-Indices
September 2013 - August 2014



Consumer Outlook Index Trend

Graph 1: COI 2002-2014

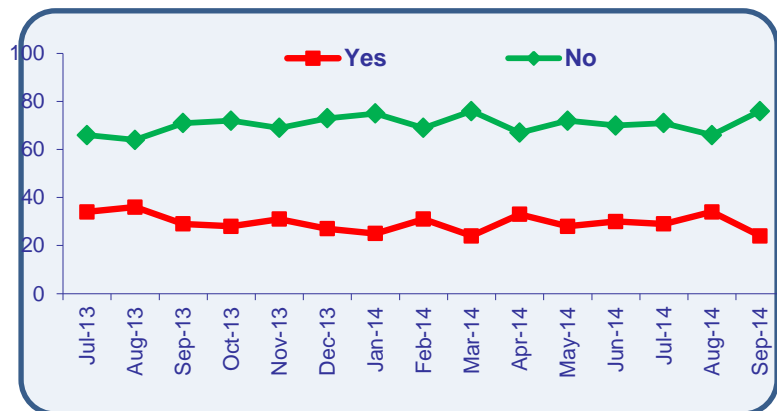


- Graph 1 presents the trend for the Consumer Outlook Index since it began in 2002. The most prominent event is the great recession in 2008-2009. Since then noteworthy periods include the brief crash in confidence observed Q3-Q4 of 2011 (corresponding with the first debt crisis in Washington) and the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

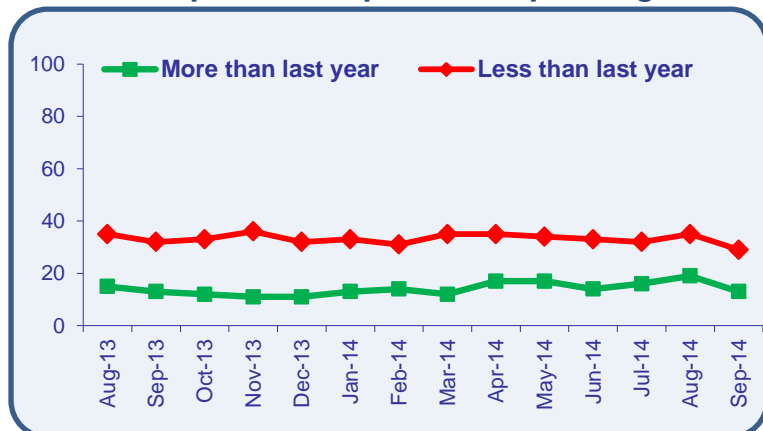
Detailed Findings of the Consumer Outlook Survey

- Overall, the American economy remains stable with increasing consumer confidence despite slight decreases in a few key drivers of consumer confidence.
- For the first time in several months, fewer consumers report being affected by job loss in the last six months (Graph 2).
 - In September, experience with job loss is as low as March levels, one of the lowest of the series.
- The positive job outlook this month has been the single force behind the upward trend in the RBC Jobs Index .
- Spending is a major indicator of confidence in the economy. Despite the overall consumer confidence and relative stability registered this month, consumers seem a little more cautious as 13% say that they are planning to spend more this year on major purchases, such as a car or household appliances than they did last year (Graph 3), down from last month's numbers.
 - About three out of ten consumers (29%) say they will be spending less looking ahead then they did last year.

Graph 2: Experience with Job Loss



Graph 3: Anticipation of Spending



Detailed Findings of the Consumer Outlook Survey, cont.

- Despite the boost in employment confidence, overall consumers are saying they are mostly treading water.
- Looking at comfort making household purchases – an indicator of disposable income – most consumers (49%) are reporting “no change” in their comfort from this time six months ago (Graph 4).

- The number saying they are more comfortable dropped from 27% in August to 22% now.
- A comparable data point, 43% report no change in their comfort making major purchase decisions compared to six months ago.

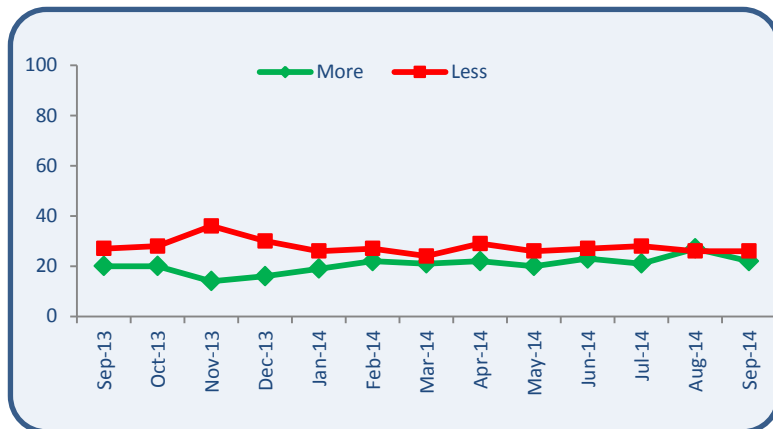
- The weak personal financial health also contributes to weaker expectations for near term personal finances (Graph 5).

- A third of respondents (30%) state that they believe their personal financial situation will be better in the next six months than it is now, down significantly from last month.
- Likewise, consumers are not expecting the economies in their communities to strengthen in the near future, with only 21% currently expecting stronger economies in the next six month.

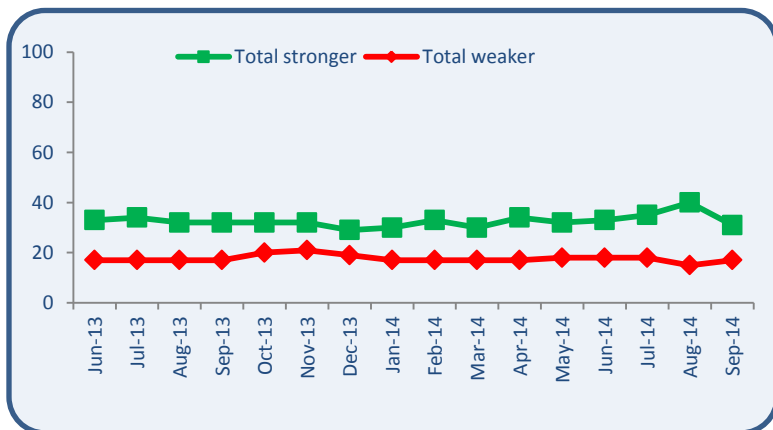
- However, while consumers aren’t feeling like their dollars are going further, they are reporting that inflation pressures are not hurting them as much (Graph 6). The fewest number of consumers since December 2013 (68%) report seeing increases in the price of gasoline and fuel.

- Consumer expectations of price increases with the prices of food and groceries, consumer electronics, and durable goods have all experienced a decrease since last month.

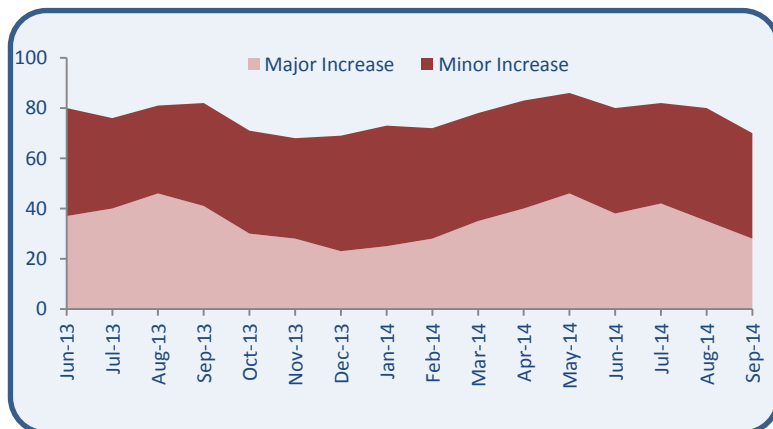
Graph 4: Household Purchase Comfort



Graph 5: Future Personal Finance Situation



Graph 6: Changing Gas and Fuel Prices

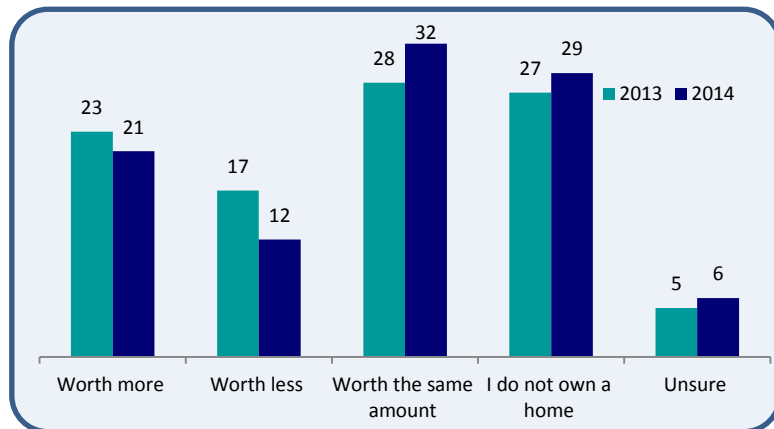


Detailed Findings of the RBC Custom Questions

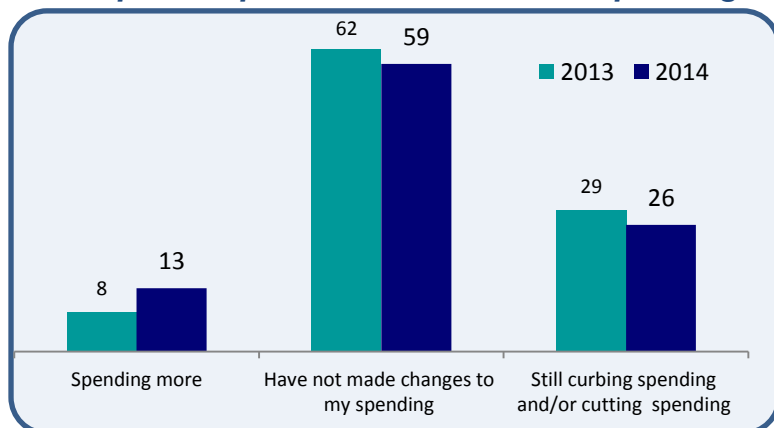
Graph 7: Change in Home Prices

- Despite the month-to-month variation in consumer confidence, overall consumers are gradually feeling better about their economic chances.

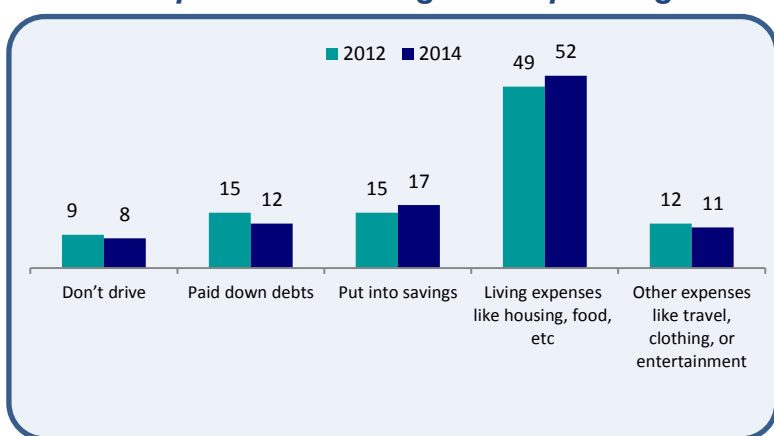
- Compared to 2013 and 2011, fewer American consumers say that it is harder to find a job than it was last year.
- Likewise, Consumers are more likely to report their homes have maintained or increased value this year than reported the same in 2013 (Graph 7).
- One result of increased home values, consumers are more likely to report that they are “spending more”, up to 13% this year from 8% in 2013 (Graph 8).
- With gas prices dropping over the last month, we asked consumers what they planned to do with the extra disposable income. Their responses were in-line with observations from a similar drop in fuel prices in 2012.
- Most (52%) plan to put it towards living expenses. Fewer than 1 in 3 plan to pay down debts (12%) or save the extra money (17%).
- With school starting up, back to school shopping has definitely hit many parents’ pocketbooks.
- Among parents, fewer say they plan to spend more this year (11%) than was observed in either 2013 (20%) or 2012 (18%).
- A plurality of parents (39%) say they plan to spend less on back to school this year.



Graph 8: Impact of Home Value on Spending



Graph 9: Gas Savings and Spending



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