

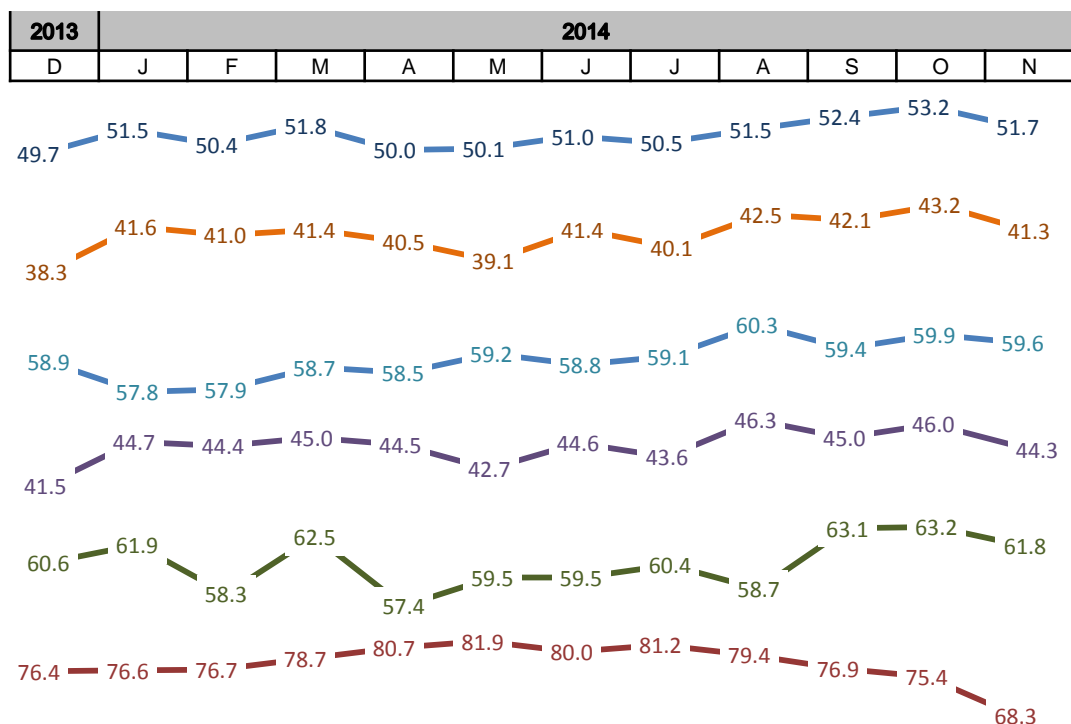
The survey is conducted online via Ipsos' national I-Say Consumer Panel with 1,000 Americans. Data is weighted to balance demographics and ensure that the sample's composition reflects that of the adult population according to Census data. The *COI*, *Current*, *Expectations*, *Investment* and *Jobs*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

### Consumer Confidence Decreases Slightly As Holiday Season Nears

- November's *RBC Consumer Outlook Index* shifts slight downward this month, down nearly two points since October. All other indices have shifted lower correspondingly. The overall index score for this year has consistently stayed between nearly 50 and 52 points, despite this month's downward shift,.
- The overall *RBC Consumer Outlook Index* shows overall confidence at 51.7, down a point and a half from October's score.
  - The *RBC Jobs Index* has dropped a similar amount, moving to a score of 61.8, nearly a point and a half down from October's score.
  - The *RBC Investment Index* decreased back to nearly July levels of 44.3; down just over a point and half from last month.
  - The *RBC Current Conditions Index* is displaying a drop of nearly two points from last month's score.
  - The *RBC Expectations Index* is displaying the smallest decrease this month, with the score dropping just 0.3 points from October.
  - The *RBC Inflation Index* experienced the largest drop this month with this month's score dropping 7.1 points from last month's score.

### RBC Consumer Outlook Index and Sub-Indices

December 2013 - November 2014



Historical  
average

49.3

41.4

58.0

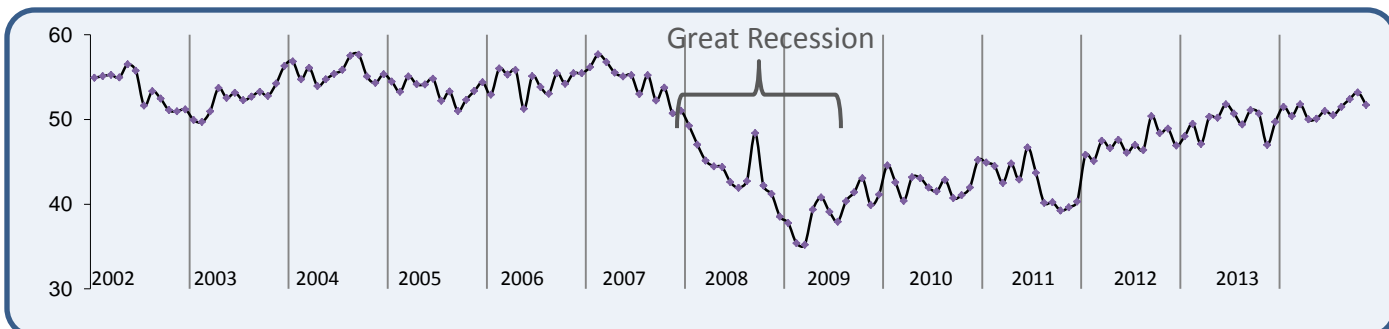
44.9

54.6

76.3

## Consumer Outlook Index Trend

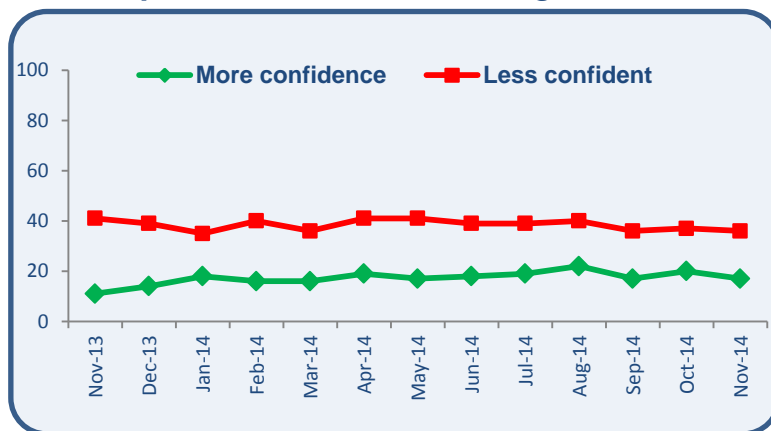
**Graph 1: COI 2002-2014**



- 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 stalled below the pre-recession average.

## Detailed Findings of the Consumer Outlook Survey

**Graph 2: Confidence in Saving Potential**



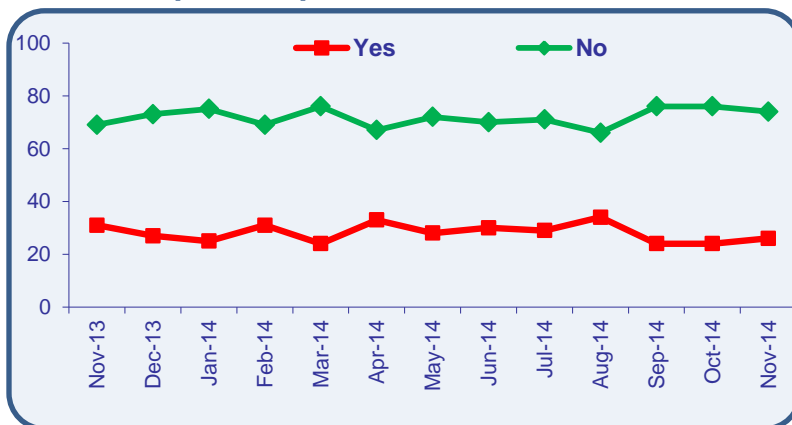
- Despite decreases across all *Indices* this month, American confidence in their personal finances and their employment remains stable.
- While consumers may not be more confident about their ability to save when compared to last month, they have maintained a confidence from month to month (Graph 2).

- In fact, consumers' stability in confidence has increased from last month and there are fewer consumers that are less confident than a month ago.

- After two months of very few consumers reporting experience with job loss, there is a slight uptick among those who have experienced job loss either personally or within their close circles (Graph 3).

- Despite the uptick in experience with job loss this month, in comparison with job loss experience just six months ago, the number of consumers that have experienced job loss has decreased consistently the second half of 2014.

**Graph 3: Experience with Job Loss**



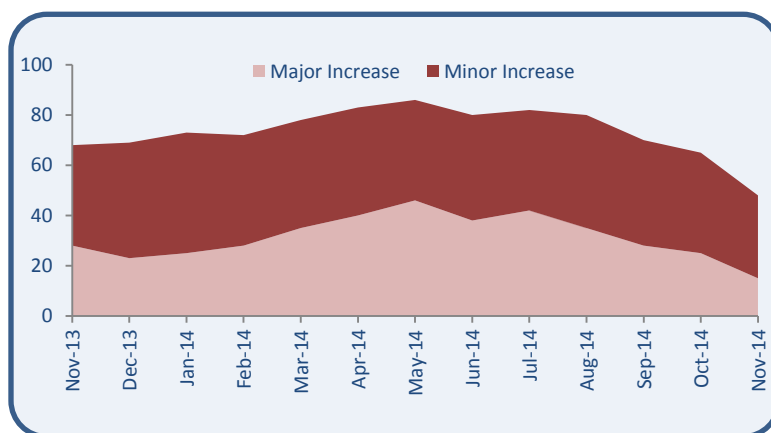
## Detailed Findings of the Consumer Outlook Survey, cont.

- As we enter the holiday season, many consumers' minds will turn to spending, both for gifts as well as for household items.
  - While fewer consumers report feeling more comfortable than a month prior with making household purchases, 50% of consumers report feeling no change in confidence from the month prior (Graph 4).
  - This is the highest number of consumers to report no change in confidence in the last six months.
- This continued confidence might be due to the fact that consumers are also seeing prices drop for a variety of goods, including gasoline and fuel prices (Graph 5).
  - Under half of consumers (48%) reported seeing an increase in the price of gasoline and fuel prices, which is the lowest number on record.
  - Consumers also report seeing fewer increases in prices for consumer goods, durable goods, and food prices.
- This stable confidence in their spending abilities and the job market has kept consumers' outlook towards the future optimistic.
- Just under a third of respondents (32%) state that they believe their personal financial situation will be better in the next six months than it is now, down just slightly from last month (Graph 6).
  - This continued optimism is also reflected in thoughts about their communities. Just under a quarter of respondents (23%) feel that their local communities will be better off in six months than they are now.

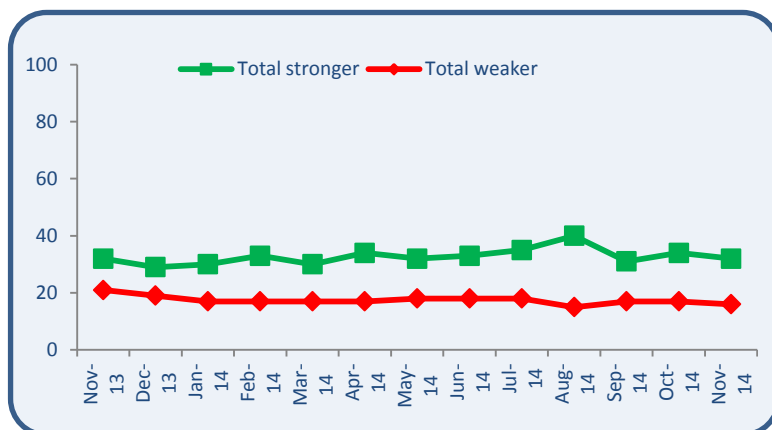
**Graph 4: Comfort Making Household Purchases**



**Graph 5: Changing Gas and Fuel Prices**



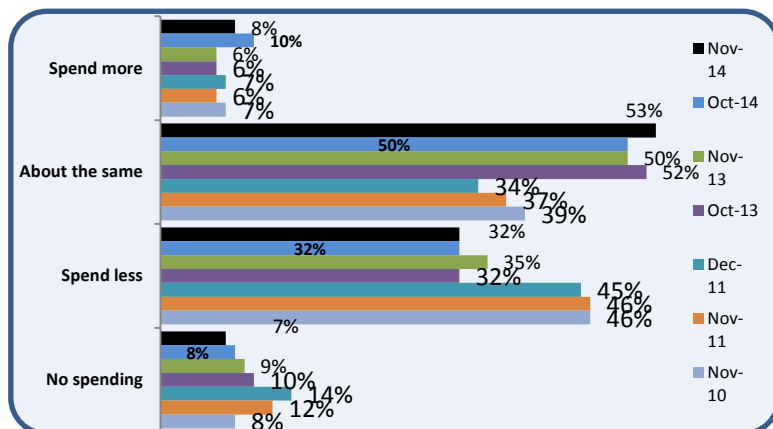
**Graph 6: Future Personal Finance Situation**



## Detailed Findings of the RBC Custom Questions

**Graph 7: Holiday Shopping**

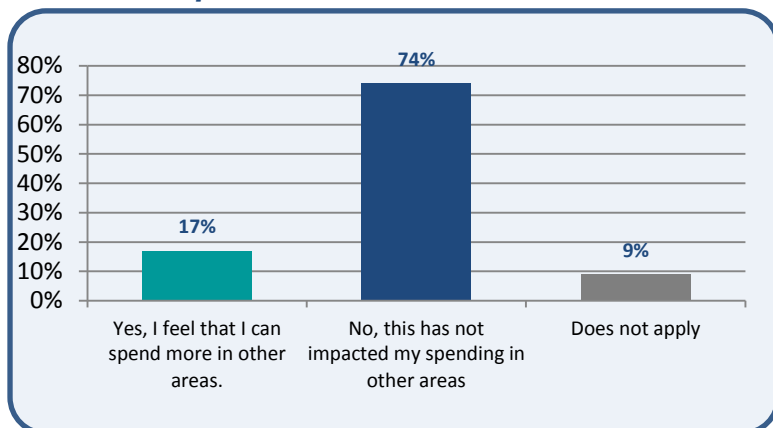
- The sense of stability and optimism seems to be spilling over into shopping plans for the holiday season.
- Compared with November of 2013, more Americans plan on spending more on holiday shopping than they did last year (8% compared with 6%) (Graph 7).



- About one third (32%) of consumers indicate that they plan on spending less this year, decreasing slightly from last year, and decreasing 14% from November 2010.
- Additionally, the lowest number of consumers on record report that they won't be doing any holiday shopping this year (7%).

**Graph 8: Affect of Gasoline Prices**

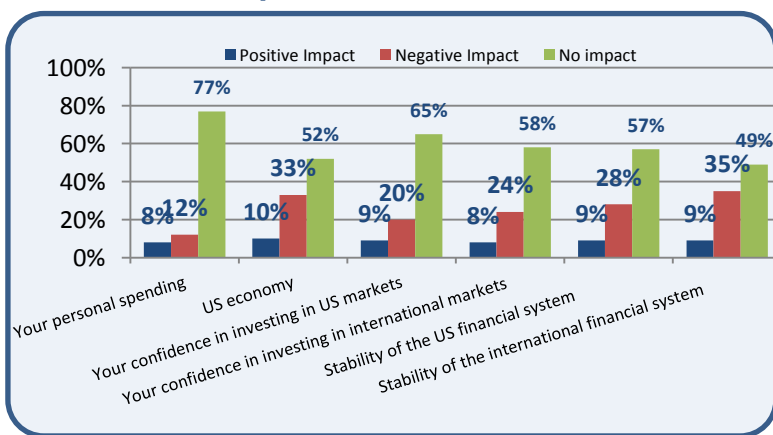
- Due to decreasing gasoline and fuel prices, some consumers have funds would have been allocated to gasoline spending available for use elsewhere.



- Despite having these extra funds, nearly three quarters (74%) of consumers say that the change in gasoline prices will not affect their spending in other areas of their budget.

**Graph 9: Affects of Ebola**

- While economic optimism remains high, consumers are aware of the potential impact the Ebola crisis might have (Graph 9).



- Across all categories, at least half consumers report that the Ebola crisis has no impact.
- Consumers believe that Ebola will have the largest impact on stability in the international financial system.

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.

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