
Consumers are Saving More and Spending and Borrowing Less

They are not, however, rebalancing their investment portfolios

ROCHESTER, N.Y. – June 26, 2009 – Americans are continuing to tighten their belts with almost two-thirds (63%) of Americans saying they are spending less overall and two-thirds (64%) saying they are less likely to take out a loan. They are also weaning themselves from plastic with one-third (33%) saying they are using their credit card less often than before.

These are the some of the results of The Harris Poll, a new nationwide survey of 2,681 U.S. Adults surveyed online between May 11 and May 18, 2009 by Harris Interactive.

Other changes in how Americans are spending, saving and borrowing behaviors include:

- Americans are saving their money in safe havens. One in five (21%) of those with personal savings and one in 10 (10%) of those with retirement savings have added bank savings and CD's to their portfolios in the past six months.
- When it comes to their equity investments, Americans are staying the course. People are as likely to have added to stocks and mutual funds in their personal savings (8%) as to have moved personal savings out of stocks and mutual funds (9%). With their retirement savings, 10% have moved their retirement funds out of stocks and mutual funds and 7% have added to stocks and mutual funds.
- In spite of this fiscal restraint, many Americans have no cushion to weather a downturn, now or in their retirement years. Almost one-quarter of Americans (22%) say they have no personal savings and three in ten (30%) have no retirement savings.
- Middle aged and upscale Americans are cutting back most on their credit card spending. More than 4 in ten 40-49 year olds (45%) and 50-64 year olds (41%) year olds say they have used their credit cards less in the past six months. Four in ten of those earning \$75,000 or more (41%) have used their credit cards less.

So what?

The economic crisis has profoundly affected consumers' spending, saving and borrowing. Despite some shots of good news about the economy, consumers are not ready to start spending as they did before the economic crisis. But consumers don't have to be alone during this crisis. Financial services firms can partner with them to help people save wisely and to borrow responsibly. Producers of consumer goods and services can help consumers economize by communicating value as well as small luxuries or simple pleasures. Companies might want to look into "giving back" to their communities at a time when Americans who do not have a cushion may be in need of help. It is especially important to communicate optimism so that Americans can begin to gain back confidence in their economic futures.

TABLE 1
CHANGING SPENDING HABITS

“How have you changed your spending habits in the past six months? Are you spending...?”

Base: All Adults

	Total	Age					
		18-24	25-29	30-39	40-49	50-64	65+
	%	%	%	%	%	%	%
MORE THAN BEFORE (NET)	8	7	8	17	6	4	5
A lot more than before	3	2	2	12	2	2	1
A little more than before	4	6	6	5	4	2	4
About the same as before	29	38	34	26	24	27	34
LESS THAN BEFORE (NET)	63	55	58	57	70	69	61
A little less than before	37	34	39	28	42	36	42
A lot less than before	26	21	20	29	27	33	19

Note: Percentages may not add up exactly to 100% due to rounding.

TABLE 2
ATTITUDES TOWARDS LOANS

“How have you changed your attitude toward loans, such as mortgages, home equity lines of credits and personal loans, in the past six months?”

Base: All Adults

	Total	Household Income			
		\$34.9k or less	\$35k-\$49.9k	\$50k-\$74.9k	\$75k+
	%	%	%	%	%
MORE LIKELY (NET)	7	5	6	12	5
Much more likely to take out a loan	3	2	*	9	2
Somewhat more likely to take out a loan	4	4	6	4	3
Just as likely to take out a loan	29	22	20	30	36
LESS LIKELY (NET)	64	73	74	58	59
Somewhat less likely to take out a loan	16	13	15	14	19
Much less likely to take out a loan	49	60	59	44	40

Note: Percentages may not add up exactly to 100% due to rounding.

**TABLE 3
CHANGING SPENDING HABITS**

“How have you changed your spending habits in the past six months? Are you spending...?”
Base: All Adults

	Total	Age						Household income			
		18-24	25-29	30-39	40-49	50-64	65+	\$34.9k or less	\$35k-\$49.9k	\$50k-\$74.9k	\$75k+
		%	%	%	%	%	%	%	%	%	%
I haven't changed anything	34	29	32	32	25	34	51	22	31	42	38
I am using my credit cards less	33	14	22	32	45	41	32	27	27	36	41
I am paying more each month	13	6	12	13	18	14	10	14	12	13	15
My credit card company has reduced my credit line	6	2	7	8	7	8	3	6	4	6	7
I am using my credit cards more	6	5	14	6	4	4	4	7	8	6	5
I am paying less each month	5	3	7	6	6	6	3	6	5	5	6
I am behind on one or more of my credit card payments	5	4	4	6	6	6	1	7	7	5	4
I don't own any credit cards	19	46	22	20	17	13	8	35	24	10	8

Note: Multiple responses accepted

**TABLE 4
CHANGES IN PERSONAL SAVINGS AND INVESTMENTS**

“How have you changed your personal savings and investments in the past six months?”
Base: Have personal savings

	Total	Household Income			
		\$34.9k or less	\$35k-\$49.9k	\$50k-\$74.9k	\$75k+
		%	%	%	%
Have not changed anything	62	69	69	62	56
Added to bank savings and/or CDs	21	21	22	20	22
Moved funds out of stocks and/or mutual funds	9	3	6	8	12
Added to stocks and/or mutual funds	8	3	9	7	10
Added to bonds, mutual market funds, and other stable investments	6	3	2	5	9
Moved money out of bank savings and/or CDs	5	7	3	5	4
Moved money out of bonds, mutual market funds, and other stable investments	3	2	2	2	5

Note: Multiple responses accepted

**TABLE 5
CHANGES IN RETIREMENT SAVINGS AND INVESTMENTS**

“How have you changed your retirement savings and investments in the past six months?”

Base: Have retirement savings

	Total	Household Income			
		\$34.9k or less	\$35k-\$49.9k	\$50k-\$74.9k	\$75k+
	%	%	%	%	%
Have not changed anything	65	68	71	67	60
Moved funds out of stocks and/or mutual funds	10	8	7	11	11
Added to bank savings and/or CDs	10	11	10	9	11
Added to bonds, mutual market funds, and other stable investments	8	6	5	5	10
Added to stocks and/or mutual funds	7	4	8	6	8
Have decreased my personal 401-k/403B/IRA contributions	6	4	6	6	8
Have increased my personal 401-k/403B/IRA contributions	6	7	6	5	6
Moved money out of bonds, mutual market funds, and other stable investments	3	3	2	1	3
Moved money out of bank savings and/or CDs	2	2	1	3	2

Note: Multiple responses accepted

**TABLE 6
HOW PERSONAL SAVINGS ARE INVESTED**

“How are your personal savings invested?”

Base: All adults

	Total	Household Income			
		\$34.9k or less	\$35k-\$49.9k	\$50k-\$74.9k	\$75k+
	%	%	%	%	%
HAVE PERSONAL SAVINGS (NET)	71	50	66	79	87
Mostly in bank savings and/or CDs	34	35	36	33	34
Relatively equal mix of stocks/mutual funds and investments such as bonds and money market funds	18	7	14	19	27
Mostly in stocks and/or mutual funds	11	5	10	15	15
Mostly in bonds, money market funds and other stable investments	8	3	6	12	11
Not at all sure	6	7	8	3	4
I don't have any personal savings	22	43	27	18	9

Note: Percentages may not add up exactly to 100% due to rounding.

TABLE 7
HOW RETIREMENT SAVINGS ARE INVESTED
 “How are your retirement savings invested?”

Base: All adults

	Total	Household Income			
		\$34.9k or less	\$35k-\$49.9k	\$50k-\$74.9k	\$75k+
		%	%	%	%
HAVE RETIREMENT SAVINGS (NET)	61	35	56	72	82
Mostly in stocks and/or mutual funds	21	10	18	25	31
Relatively equal mix of stocks/mutual funds and investments such as bonds and money market funds	19	8	15	21	29
Mostly in bonds, money market funds and other stable investments	13	9	17	14	15
Mostly in bank savings and/or CDs	8	9	7	12	7
Not at all sure	9	9	11	8	7
I don't have any retirement savings	30	55	33	21	12

Note: Percentages may not add up exactly to 100% due to rounding.

Methodology

This Harris Poll was conducted online within the United States between May 11 and 18, 2009, among 2,681 adults (aged 18 and over). Figures for age, sex, race, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was also used to adjust for respondents’ propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words “margin of error” as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Interactive surveys. The data have been weighted to reflect the composition of the adult population. Because the sample is based on those who agreed to participate in the Harris Interactive panel, no estimates of theoretical sampling error can be calculated.

These statements conform to the principles of disclosure of the National Council on Public Polls.

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***The Harris Poll*[®] #68, June 26, 2009**

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