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The Many Different Things People Are Doing To Save Money

Large numbers are buying more generic brands, brown bagging, reducing use of hairdressers/barbers, bottled water, magazines – and more

New York, N.Y. - October 27, 2009 - A new Harris Poll finds that more than half of all adults are saving money by purchasing more generic brands, while over 40 % are brown bagging more often and cutting back on visits to hairdressers and barbers. Over 30% have switched to tap water and cancelled one or more magazine subscriptions. Smaller percentages, but many millions of people, have also cut down on dry cleaning, cut back or cancelled cable television service, cancelled a newspaper subscription, stopped buying their morning coffee, changed or cancelled their cell phone service, increased their use of carpooling or mass transit and cancelled their telephone landline service.

The survey also found that there are large differences by age. The proportions of different generations making these changes vary greatly.

These are some of the results of *The Harris Poll* of 2,293 adults surveyed online between October 5 and 12, 2009 by Harris Interactive.

The largest proportions of all adults making these changes to save money are:

- 64% who have been purchasing more generic brands
- 47% who are brown bagging lunch instead of buying it
- 43% who have been going to hairdressers or barbers less often
- 36% who have switched to tap water and refillable bottles instead of bottled water
- 34% who have cancelled one or more magazine subscriptions

Smaller numbers, but numbers that represent many millions of people, have also:

- Cut back on dry cleaning (22%)
- Cancelled or cut back their cable TV service (21%)
- Stopped buying coffee in the morning (20%)
- Changed or cancelled their cell phone service (15%)
- Been carpooling or using mass transit (14%)
- Cancelled their telephone landline service and are only using their cell phones (12%)

Differences by Generation

Analysis by age reveals some substantial differences between generations on some but not all of these actions. Echo boomers, aged 18 to 32, are more likely than Matures, aged 64 +, to brown bag, to have cancelled or cut back their cable TV services, to have cancelled their landlines, and to carpool or use mass transit. They are much less likely than Matures to have cancelled magazine subscriptions. Baby boomers are more likely than older and younger generations to be buying more generic products, to be brown bagging and to have cut back on their visits to hairdressers and barbers.

So What?

This is a good news/bad news story depending on your point of view. These reduced spending patterns reflect a big increase in savings, and economists have been telling us for years that we need to increase savings. They also show that most people are taking prudent actions to protect themselves in bad economic times. On the other hand all of these savings mean less money going to the people who produce and sell these products and services, and fewer jobs. Economists tell us that increased consumer spending is badly needed to generate economic growth. No wonder economics is called “the dismal science.”

**TABLE 1
SPENDING/SAVINGS OVER PAST SIX MONTHS**

“Have you done or considered doing any of the following over the past six months in order to save money?”

Base: All adults

		June 2009		October 2009	
		Have Done	Have Considered	Have Done	Have Considered
Purchasing more generic brands	%	62	14	64	13
Brown bagging lunch instead of purchasing it	%	47	8	47	8
Going to the hairdresser/barber/stylist less often	%	36	9	43	8
Switched to refillable water bottle instead of purchasing bottle of water	%	33	11	36	12
Cancelled one or more magazine subscriptions	%	29	7	34	6
Cut down on dry cleaning	%	20	4	22	4
Cancelled or cut back cable television service	%	19	5	21	24
Cancelled a newspaper subscription	%	17	23	21	9
Stopped purchasing coffee in the morning	%	15	9	20	5
Changed or cancelled cell phone service	%	14	8	15	16
Begun carpooling or using mass transit	%	13	17	14	9
Cancelled landline phone service and only using cell phone	%	11	21	12	23

Note: Percentages may not add to 100% due to rounding

TABLE 2
SPENDING/SAVINGS OVER PAST SIX MONTHS – BY GENERATION

“Have you done or considered doing any of the following over the past six months in order to save money?”
 SUMMARY OF ‘HAVE DONE’

Base: All adults

	Total	Generation			
		Echo Boomers (18-32)	Gen. X (33-44)	Baby Boomers (45-63)	Matures (64+)
	%	%	%	%	%
Purchasing more generic brands	64	58	62	69	67
Brown bagging lunch instead of purchasing it	47	53	52	55	15
Going to the hairdresser/barber/stylist less often	43	40	42	47	41
Switched to refillable water bottle instead of purchasing bottle of water	36	38	32	38	34
Cancelled one or more magazine subscriptions	34	21	30	41	44
Cut down on dry cleaning	22	15	18	28	29
Stopped purchasing coffee in the morning	20	21	25	21	13
Cancelled or cut back cable television service	21	23	20	23	14
Cancelled a newspaper subscription	21	12	20	24	28
Begun carpooling or using mass transit	14	24	12	13	4
Changed or cancelled cell phone service	15	12	17	16	13
Cancelled landline phone service and only using cell phone	12	15	17	10	6

Note: Percentages may not add to 100% due to rounding

Methodology

This Harris Poll was conducted online within the United States October 5 and 12, 2009 among 2,293 adults (aged 18 and over). Figures for age, sex, race/ethnicity, 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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By Humphrey Taylor, Chairman, The Harris Poll, Harris Interactive

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