



THE PEW RESEARCH CENTER
For The People & The Press

NEWS Release
1615 L Street, N.W., Suite 700
Washington, D.C. 20036
Tel (202) 419-4350
Fax (202) 419-4399

FOR IMMEDIATE RELEASE: Friday, June 19, 2009

**PUBLIC MORE OPTIMISTIC ABOUT THE ECONOMY, BUT STILL
RELUCTANT TO SPEND**

FOR FURTHER INFORMATION CONTACT:

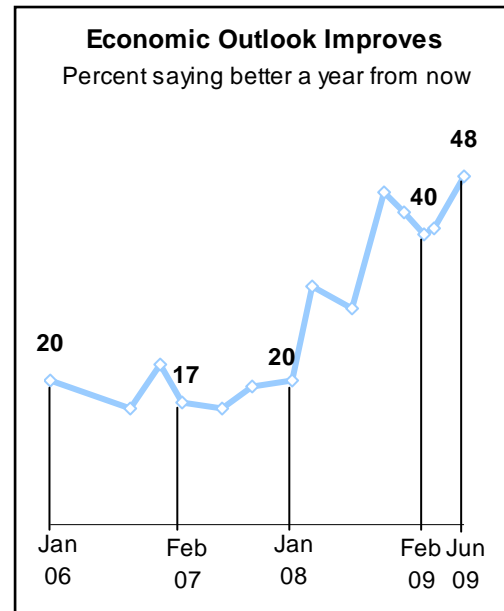
Andrew Kohut, Director
Carroll Doherty and Michael Dimock, Associate Directors
Scott Keeter, Director of Survey Research
Pew Research Center for the People & the Press
202-419-4350
<http://www.people-press.org>

PUBLIC MORE OPTIMISTIC ABOUT THE ECONOMY, BUT STILL RELUCTANT TO SPEND

The public is increasingly optimistic that the nation's economy will improve in the next year, while a growing number also expect their personal finances to get better. But this has not caused people to open their wallets: The proportion saying they have cut back on personal spending remains as high as it was earlier this year.

Nearly half of Americans (48%) say they expect economic conditions a year from now to be better than today, up from 40% in February. Over the same period, the percentage saying they expect their personal finances to improve at least some has risen from 54% to 63%.

Despite these positive signs, there is no indication that Americans are more willing to spend money. Roughly three-quarters (76%) report they have cut back on vacation spending, been eating at restaurants less often, or have delayed purchasing a car or major home items. That figure is largely unchanged from February (79%) and last December (77%).



When changes in savings, investment and home-purchasing decisions are factored in, nearly nine-in-ten Americans (87%) say they have made at least one spending cutback or an investment or saving adjustment. This also is about the same as in February (86%) and December (85%).

As in the past, more people say they are cutting back on spending because they worry their financial situation might *get* worse rather than because it actually has *gotten* worse. Fully 50% say they have delayed or cut back spending out of fear about the future, while 36% say they are cutting back because their finances have gotten worse.

Americans Are Still Reluctant to Spend

	Dec 2008	Feb 2009	June 2009
<i>Have you done any of the following lately?</i>	%	%	%
Cut back on planned vacation spending	57	59	59
Been eating at restaurants less often	55	55	56
Delayed/canceled buying major home item	44	44	40
Delayed/canceled plans to buy a new car	33	37	36
Any spending cutback	77	79	76

This represents only a modest change since February or December, when a majority of those who had cut back in personal spending – 56% in February and 59% in December – said it was because they were concerned about the future, not because their own finances had deteriorated. In effect, the psychology of bad times continues to affect people’s spending decisions as nearly much today as it did in December, even though there is greater financial optimism and assessments of the current state of the economy are somewhat less bleak.

	Dec <u>2008</u>	Feb <u>2009</u>	June <u>2009</u>	<i>Feb-Jun</i> <u>change</u>
<i>Cutting back on spending because...</i>	%	%	%	
Finances have worsened	30	30	36	+6
Finances might get worse	59	56	50	-6
Both/Other (Vol.)	8	11	11	0

Based on respondents who are eating out less or have delayed or canceled planned vacations, home item purchases or new car purchases. Figures read down.

Views of Current Conditions

The latest national survey by the Pew Research Center for the People & the Press, conducted June 10-14 among 1,502 adults reached on landlines and cell phones, finds that while just 9% say that current economic conditions are excellent or good – which is little changed from March (6%) – there has been a substantial decline in the percentage saying that conditions are “poor.”

	Nov <u>2008</u>	Dec <u>2008</u>	Feb <u>2009</u>	Mar <u>2009</u>	June <u>2009</u>
<i>View of national economy today</i>	%	%	%	%	%
Excellent	1	*	*	*	1
Good	6	7	4	6	8
Only fair	28	33	24	25	39
Poor	64	59	71	68	52

Figures read down. * less than 1%.

About half (52%) now view the economy as poor, down from 68% in March. The current measure is the lowest proportion viewing the economy as poor since last July (52% now, 50% then). Since March, the proportion rating the economy as “only fair” has risen from 25% to 39%.

Much of the decline in poor economic ratings has come among Democrats and independents; roughly half in each group now view the current national economic situation as poor (50% of Democrats, 49% of independents); in March, 73% of Democrats and 71% of independents said the national economy was in poor shape.

	Dec <u>2008</u>	Feb <u>2008</u>	Mar <u>2008</u>	June <u>2009</u>	<i>Mar-Jun</i> <u>Change</u>
<i>Rate nat’l economy as “poor”</i>	%	%	%	%	
Total	59	71	68	52	-16
Republican	48	67	62	58	-4
Democrat	65	73	73	50	-23
Independent	61	72	71	49	-22
<i>R-D diff</i>	-17	-6	-11	+8	

By contrast, there has been little change in Republicans’ ratings of the

economy; 58% now say the economy is poor compared with 62% in March. As a consequence, a greater share of Republicans than Democrats or independents views the economy as poor. This represents a reversal of the pattern through much of the Bush administration, when Republicans rated the national economy much more positively than did Democrats.

While ratings of the national economy have become less negative, there has been little change over the past several months in people's assessments of their own financial situations. About four-in-ten (38%) say they are in excellent (6%) or good shape (32%) financially; most rate their finances as only fair (39%) or poor (22%). In February and December, 38% also rated their personal finances positively.

	Oct <u>2008</u>	Dec <u>2008</u>	Feb <u>2009</u>	June <u>2009</u>
<i>Rating of personal finances...</i>	%	%	%	%
Excellent	6	6	5	6
Good	35	32	33	32
Only fair	40	40	41	39
Poor	18	21	20	22

Figures read down.

More Economic Optimism, But Not Among the Poor

While economic and personal financial optimism has increased sharply since February, the shift has come among middle-income and more affluent Americans – not the poor. Currently, about half (52%) of those with family incomes of \$75,000 or more say they expect economic conditions to be better a year from now, up from 36% in February. The shift has been as large among those with incomes between \$30,000 and \$75,000 (from 36% to 51%).

But those with low incomes (\$30,000 or less) are now less optimistic that economic conditions will improve than they were in February (42% today, 52% then).

There also have been increases in the percentages of Democrats (by 11 points) and independents (9 points) who expect national economic conditions to improve. Republicans' expectations about the economy, which turned much more negative following the election, have not changed since February.

<i>Over next year...</i>	Oct <u>2008</u>	Feb <u>2009</u>	June <u>2009</u>	<i>Feb-Jun change</i>
<i>Nation's economy will improve</i>	%	%	%	
Total	46	40	48	+8
\$75k or more	54	36	52	+16
\$30k-74,999	41	36	51	+15
Less than \$30,000	43	52	42	-10
Republican	52	30	31	+1
Democrat	47	52	63	+11
Independent	42	35	44	+9
<i>Personal finances will improve</i>				
Total	59	54	63	+9
\$75k or more	61	47	66	+19
\$30k-74,999	61	54	68	+14
Less than \$30,000	61	66	61	-5
Republican	65	43	54	+11
Democrat	61	67	73	+6
Independent	55	50	65	+15

Overall, 63% say they think their financial situation will improve a lot (9%) or some (54%) over the course of the next year. That is up nine points from February and is the highest measure of personal financial optimism since early 2007 (63%).

Two-thirds (66%) of those with family incomes of \$75,000 or more expect their finances to improve, as do 68% of those with incomes of \$30,000-\$75,000; in February, only about half in both groups expected their financial situations to improve (47% and 54%, respectively).

However, poor people are no more optimistic than they were in February (66% then, 61% today). Four months ago, people with family incomes of \$30,000 or less were more confident than those with higher incomes that their finances would improve; today, if anything, they are slightly less confident.

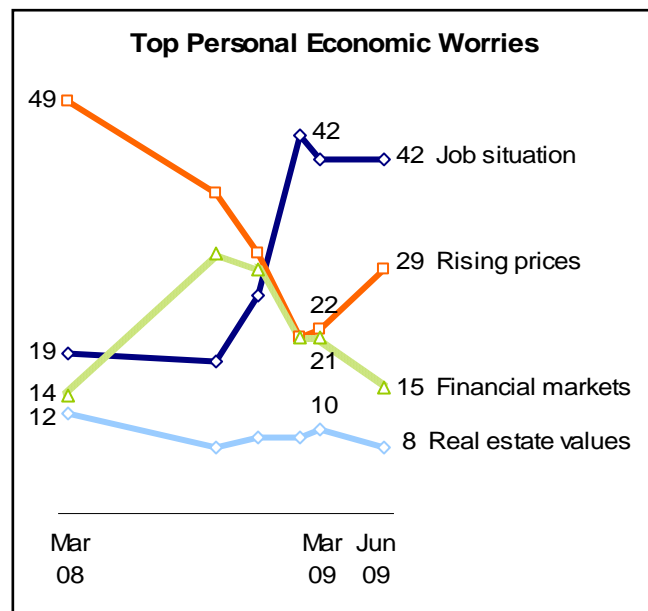
Notably, Republicans and independents express more personal financial optimism than they did in February. Nearly two-thirds of independents (65%) expect that their personal finances will improve a lot or some over the next year, up from 50% in February. Republicans (up 11 points) also are more optimistic, though there continues to be a sizable partisan gap in personal financial expectations. Nearly three-quarters of Democrats (73%) expect at least some improvement in their financial situations over the next year, compared with 54% of Republicans.

Top Economic Problems

Public concern about the job situation, which surged earlier this year, has leveled off. Currently, 42% cite the job situation as the economic issue they worry about most, which is largely unchanged from March (42%) and February (45%). Last December, only 26% viewed jobs as their top economic concern.

Meanwhile, worries about rising prices – which dominated the public’s economic concerns last year during the rapid run-up in gas prices – are once again increasing. Currently, 29% say rising prices are the issue that most worries them, up from 22% in March. A year earlier, fully 49% named rising prices as their biggest economic worry.

As the stock market has become less volatile, concern over problems in financial markets has declined. Currently, 15% cite problems



in the markets as their top economic worry, down from 21% in March and 31% last October. In March, comparable shares cited rising prices (22%) and problems in the financial markets (21%) as their biggest economic worry; now, nearly twice as many say they are most worried by rising prices (29% vs. 15%). Fewer than one-in-ten (8%) cite declining real estate values as the economic issue that they find most worrisome, a figure that has stayed fairly constant for more than a year.

Among those with family incomes of \$75,000 or more, concern about rising prices has nearly doubled – from 12% to 22% – since March. Over the same period, the share of this group saying problems in financial markets are most worrisome has declined, from 35% to 23%.

<i>Top economic worries</i>	<u>Total</u>	Less than	\$30k-	More than
		<u>\$30k</u>	<u>\$75k</u>	<u>\$75k</u>
June	%	%	%	%
Job situation	42	47	44	40
Rising prices	29	33	29	22
Problems in fin. mkts.	15	10	14	23
Real estate values	8	6	9	12
March				
Job situation	42	53	38	35
Rising prices	22	27	26	12
Problems in fin. mkts.	21	8	20	35
Real estate values	10	4	12	15

Cutting Back and Changing Plans

As has been the case for the last several months, an overwhelming majority of the public (87%) reports having made changes in personal financial behaviors, either by cutting back on spending or adjusting retirement or savings and investment plans. In particular, majorities say they have cut back on planned spending for vacation travel (59%), changed the way their money is saved or invested (57%) and are eating out at restaurants less often (56%).

The proportion of Americans reporting changes in most of these behaviors remains virtually unchanged since December. However, over this time period, there has been a nine-point increase in the percentage saying they have changed the way their money is saved or invested (from 48% to 57%).

<i>Have you done any of the following lately?</i>	Dec	Feb	Jun
	<u>2008</u>	<u>2009</u>	<u>2009</u>
	%	%	%
Cut back on planned vacation spending	57	59	59
Been eating at restaurants less often	55	55	56
Delayed/canceled buying major home item	44	44	40
Delayed/canceled plans to buy a new car	33	37	36
Any spending cutback	77	79	76
Long-term investment changes			
Changed way money is saved/invested	48	53	57
Delayed/canceled buying home/improvements	36	37	40
Adjusted retirement plans	27	29	30
Any investment change	65	69	72
Made one or more changes	85	86	87

While those in all income groups are equally likely to report having made one or more changes in their personal financial behavior, those with annual family incomes of \$75,000 or more are less likely than those earning less than \$75,000 to say they delayed or canceled plans to

buy a home or make home improvements (33% vs. 45%), put off buying a new car (30% vs. 39%), or cut back on vacation spending (52% vs. 63%).

ABOUT THE SURVEY

Results for this survey are based on telephone interviews conducted under the direction of Princeton Survey Research Associates among a nationwide sample of 1,502 adults, 18 years of age or older, from June 10-14, 2009 (1,126 respondents were interviewed on a landline telephone, and 376 were interviewed on a cell phone, including 153 who had no landline telephone). Both the landline and cell phone samples were provided by Survey Sampling International. Interviews were conducted in English and Spanish. For detailed information about our survey methodology, see <http://people-press.org/methodology/>.

The combined landline and cell phone sample are weighted using an iterative technique that matches gender, age, education, race/ethnicity, region, and population density to parameters from the March 2008 Census Bureau's Current Population Survey. The sample is also weighted to match current patterns of telephone status and relative usage of landline and cell phones (for those with both), based on extrapolations from the 2008 National Health Interview Survey. The weighting procedure also accounts for the fact that respondents with both landline and cell phones have a greater probability of being included in the sample.

The following table shows the error attributable to sampling that would be expected at the 95% level of confidence for different groups in the survey:

Group	Sample Size	Plus or minus...
Total sample	1,502	3.0 percentage points
Form 1	759	4.0 percentage points
Republicans	401	5.5 percentage points
Democrats	508	5.0 percentage points
Independents	502	5.0 percentage points

In addition to sampling error, one should bear in mind that question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of opinion polls.

ABOUT THE CENTER

The Pew Research Center for the People & the Press is an independent opinion research group that studies attitudes toward the press, politics and public policy issues. We are sponsored by The Pew Charitable Trusts and are one of seven projects that make up the Pew Research Center, a nonpartisan "fact tank" that provides information on the issues, attitudes and trends shaping America and the world.

The Center's purpose is to serve as a forum for ideas on the media and public policy through public opinion research. In this role it serves as an important information resource for political leaders, journalists, scholars, and public interest organizations. All of our current survey results are made available free of charge.

All of the Center's research and reports are collaborative products based on the input and analysis of the entire Center staff consisting of:

Andrew Kohut, Director
Scott Keeter, Director of Survey Research
Carroll Doherty and Michael Dimock, Associate Directors
Michael Remez, Senior Writer
Juliana Menasce Horowitz, Robert Suls, Shawn Neidorf, Leah Christian and Jocelyn Kiley,
Research Associates
Kathleen Holzward and Alec Tyson, Research Analysts

PEW RESEARCH CENTER FOR THE PEOPLE & THE PRESS
JUNE 2009 POLITICAL SURVEY
FINAL TOPLINE
 June 10-14, 2009
 N=1,502

QUESTIONS 1-16, 22a, b AND d PREVIOUSLY RELEASED

NO QUESTIONS 17-20

QUESTIONS 21 AND 22c, e-h HELD FOR FUTURE RELEASE

RANDOMIZE Q.23-Q.24/Q.25-Q.26 IN BLOCKS

ASK ALL:

Now thinking about the nation's economy...

Q.23 How would you rate economic conditions in this country today... as excellent, good, only fair, or poor?

	<u>Excellent</u>	<u>Good</u>	<u>Only Fair</u>	<u>Poor</u>	<u>(VOL.) DK/Ref</u>
June, 2009	1	8	39	52	1
March, 2009	*	6	25	68	1
February, 2009	*	4	24	71	1
December, 2008	*	7	33	59	1
November, 2008	1	6	28	64	1
Late October, 2008	*	7	25	67	1
Early October, 2008	1	8	32	58	1
Late September, 2008	*	7	27	65	1
July, 2008	1	9	39	50	1
April, 2008	1	10	33	56	*
March, 2008	1	10	32	56	1
Early February, 2008	1	16	36	45	2
January, 2008	3	23	45	28	1
November, 2007	3	20	44	32	1
September, 2007	3	23	43	29	2
June, 2007	6	27	40	25	2
February, 2007	5	26	45	23	1
December, 2006	6	32	41	19	2
Early November, 2006 (RVs)	9	35	37	17	2
Late October, 2006	6	27	40	25	2
September, 2006	5	32	41	20	2
March, 2006	4	29	44	22	1
January, 2006	4	30	45	19	2
Early October, 2005	2	23	45	29	1
Mid-September, 2005	3	28	44	24	1
Mid-May, 2005	3	29	47	20	1
January, 2005	3	36	45	15	1
December, 2004	3	33	43	20	1
Early November, 2004 (RVs)	5	31	37	26	1
Mid-September, 2004	4	34	40	20	2
August, 2004	3	30	45	21	1
Late April, 2004	4	34	38	22	2
Late February, 2004 ¹	2	29	42	26	1

ASK ALL:

1 Earlier trends available from Gallup.

Q.24 A year from now, do you expect that economic conditions in the country as a whole will be better than they are at present, or worse, or just about the same as now?

	<u>Better</u>	<u>Worse</u>	<u>Same</u>	<u>(VOL.) DK/Ref</u>
June, 2009	48	16	34	2
March, 2009	41	19	37	3
February, 2009	40	18	38	4
December, 2008	43	17	36	4
Early October, 2008	46	16	30	8
July, 2008	30	21	41	8
March, 2008	33	22	39	6
January, 2008	20	26	48	6
September, 2007	19	23	53	5
June, 2007	16	24	55	5
February, 2007	17	20	58	5
December, 2006	22	18	56	4
September, 2006	16	25	55	4
January, 2006	20	22	55	3
Early October, 2005	20	32	45	3
Mid-September, 2005	18	37	43	2
Mid-May, 2005	18	24	55	3
January, 2005	27	18	52	3
August, 2004	36	9	47	8
Late February, 2004	39	12	41	8
September, 2003	37	17	43	3
May, 2003	43	19	35	3
Late March, 2003	33	23	37	7
January, 2003	30	20	44	6
January, 2002	44	17	36	3
January, 2001 <i>Newsweek</i>	18	33	44	5
June, 2000	15	24	55	6
Early October, 1998 (<i>RVs</i>)	16	22	57	5
Early September, 1998	18	17	61	4
May, 1990	18	31	45	6
February, 1989	25	22	49	4
September, 1988 (<i>RVs</i>)	24	16	51	9
May, 1988	24	20	46	10
January, 1988	22	26	45	7
January, 1984 <i>Newsweek (RVs)</i>	35	13	49	3

RANDOMIZE Q.23-Q.24/Q.25-Q.26 IN BLOCKS

ASK ALL:

Now thinking about your own personal finances...

Q.25 How would you rate your own personal financial situation? Would you say you are in excellent shape, good shape, only fair shape or poor shape financially?

	<u>Excellent</u>	<u>Good</u>	<u>Only Fair</u>	<u>Poor</u>	(VOL.) DK/Ref
June, 2009	6	32	39	22	1
February, 2009	5	33	41	20	1
December, 2008	6	32	40	21	1
Early October, 2008	6	35	40	18	1
July, 2008	9	33	37	19	2
April, 2008	8	35	39	16	2
March, 2008	8	39	34	17	2
Early February, 2008	9	36	37	16	2
January, 2008	10	39	34	15	2
November, 2007	9	41	34	15	1
September, 2007	10	38	34	16	2
February, 2007	8	41	36	14	1
December, 2006	8	40	35	16	1
Late October, 2006	9	40	33	16	2
March, 2006	9	39	36	15	1
January, 2006	7	39	37	15	2
Mid-May, 2005	7	37	39	16	1
January, 2005	10	41	34	14	1
August, 2004	9	42	34	14	1
September, 2003	10	38	36	15	1
Late March, 2003	10	43	31	12	4
January, 2003	7	38	39	15	1
Early October, 2002	7	39	37	16	1
June, 2002	5	40	37	16	2
Late September, 2001	7	40	37	14	2
June, 2001	6	38	39	16	1
June, 2000	9	43	35	11	2
August, 1999	6	43	41	9	1
May, 1997	7	43	38	11	1
September, 1996 (RVs)	8	47	34	10	1
February, 1995	8	39	38	14	1
March, 1994	5	41	40	13	1
December, 1993	5	34	45	15	1
January, 1993 <i>U.S. News</i>	4	33	46	16	1
October, 1992 <i>U.S. News</i>	6	34	40	19	1
August, 1992 <i>U.S. News</i>	5	30	47	17	1
May, 1992 <i>U.S. News</i>	4	35	45	15	1
January, 1992 <i>U.S. News</i>	4	32	45	18	1

ASK ALL:

Q.26 Over the course of the next year, do you think the financial situation of you and your family will improve a lot, improve some, get a little worse or get a lot worse?

	Improve <u>a lot</u>	Improve <u>some</u>	Get a <u>little worse</u>	Get a lot <u>worse</u>	(VOL.) Stay the <u>same</u>	(VOL.) DK/Ref
June, 2009	9	54	17	7	9	4
February, 2009	7	47	22	7	13	4
December, 2008	7	49	21	6	13	4
Early October, 2008	8	51	20	6	9	6
July, 2008	7	44	21	7	14	7
March, 2008	10	45	20	7	13	5
January, 2008	11	49	16	6	14	4
September, 2007	10	52	14	4	16	4
February, 2007	11	52	12	3	19	3
December, 2006	10	57	13	3	14	3
January, 2006	10	51	14	5	16	4
Mid-May, 2005	10	51	15	5	15	4
January, 2005	10	54	14	4	15	3
August, 2004	13	57	9	3	12	6
September, 2003	11	53	15	4	14	3
Late March, 2003	12	51	15	4	11	7
January, 2003	9	51	18	5	13	4
Early October, 2002	10	54	13	5	12	6
June, 2002	11	55	15	4	11	4
January, 2002	12	53	15	5	11	4
Late September, 2001	9	46	16	4	17	8
June, 2001	11	52	15	4	14	4
January, 2001	11	46	18	9	12	4
January, 1999	17	55	7	3	14	4
May, 1997	12	56	10	2	17	3
February, 1995	11	53	13	3	17	3
March, 1994	10	57	11	3	16	3
October, 1992 <i>U.S. News</i>	9	51	14	3	15	8
August, 1992 <i>U.S. News</i>	6	50	20	5	14	5
May, 1992 <i>U.S. News</i>	8	49	22	4	13	4
January, 1992 <i>U.S. News</i>	9	46	19	5	16	5

ASK ALL:

Q.27 As you think about your OWN financial situation, which of the following economic issues worries you MOST right now? **[READ AND RANDOMIZE]**

	March <u>2009</u>	Feb <u>2009</u>	Dec <u>2008</u>	Early Oct <u>2008</u>	March <u>2008</u>
42 The job situation	42	45	26	18	19
29 Rising prices	22	21	31	38	49
15 Problems in the financial markets	21	21	29	31	14
8 Declining real estate values	10	9	9	8	12
2 Other (VOL.)	1	1	1	2	2
2 None / not worried about any (VOL.)	2	1	2	1	2
1 Don't know/Refused (VOL.)	2	2	2	2	2

NO QUESTIONS 28-30

QUESTIONS 31-34, 37-40 PREVIOUSLY RELEASED

NO QUESTIONS 35, 36, 41, 42

ASK FORM 1 ONLY [N=759]:

A few questions about the economy ...

Q.43 Thinking about your personal finances, have you done any of the following lately? (First,) Have you [INSERT ITEM; RANDOMIZE] or not? [IF RESPONDENT SAYS THIS DOES NOT APPLY, CODE AS NO]

		<u>Yes</u>	<u>No</u>	<u>(VOL.) DK/Ref</u>
a.F1	Delayed or canceled plans to buy a new home or make major home improvements			
	June, 2009	40	58	2
	February, 2009	37	62	1
	December, 2008	36	63	1
b. F1	Delayed or canceled plans to buy a new car			
	June, 2009	36	63	*
	February, 2009	37	62	1
	December, 2008	33	67	*
c. F1	Delayed or canceled plans to make a major purchase for your household, such as a computer or appliance			
	June, 2009	40	59	1
	February, 2009	44	55	1
	December, 2008	44	56	*
d. F1	Cut back on planned spending for vacation travel			
	June, 2009	59	41	*
	February, 2009	59	41	*
	December, 2008	57	42	1
e. F1	Adjusted your plans for retirement			
	June, 2009	30	69	1
	February, 2009	29	70	1
	December, 2008	27	72	1
f. F1	Changed the way your money is saved or invested			
	June, 2009	57	42	1
	February, 2009	53	46	1
	December, 2008	48	51	1
g. F1	Been eating out at restaurants less often			
	June, 2009	56	44	*
	February, 2009	55	44	1
	December, 2008	55	44	1

ASK IF CHANGED SPENDING HABITS (1 IN Q.43bF1,Q43cF1,Q43dF1, or Q43gF1) [N=565]:

Q.44F1 You mentioned making some cutbacks in spending. Have you been cutting back because your financial situation has **GOTTEN** worse and made such cutbacks necessary, or because you worry that your financial situation **MIGHT GET** worse in the future?

		Feb <u>2009</u>	Dec ² <u>2008</u>
36	Financial situation has gotten worse	30	30
50	Worry that it might get worse in the future	56	59
5	Both (VOL.)	5	4
6	Other (VOL.)	6	4
3	Don't know/Refused (VOL.)	3	3

NO QUESTIONS 45, 46, 51, 52

QUESTIONS 47-50, 53-59 PREVIOUSLY RELEASED

2 In December 2008, the beginning of the question was worded: "In general, have you been cutting back on spending because...".