

ABC NEWS POLL: BLACK FRIDAY

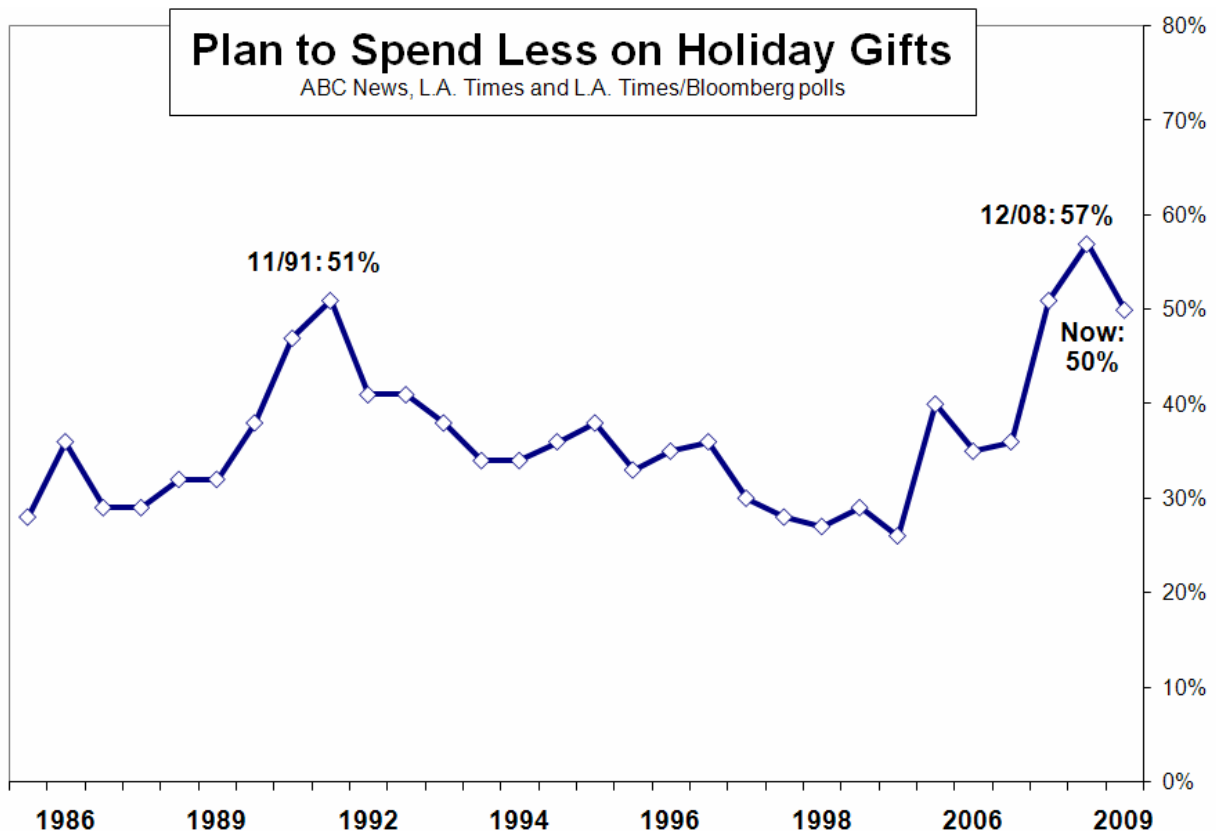
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Black Friday Blues: Half Plan Cuts in Holiday Spending

Hammered by the downturn, half of Americans plan to spend less on holiday gifts this year – less bad than last year but still among the worst retail outlooks in a quarter-century.

With 50 percent in this ABC News poll saying they intend to cut back, spending plans have been this poor in just two Christmas shopping seasons since 1985 – the dreadful post-recession retail performance in 1991, and last year as the economy spiraled down in the latest recession.

Barely one in 15 adults, moreover, now plans to spend more on gifts, matching the record low last year and down from one in four in the late 1980s. And a mere 2 percent plan to spend “a lot” more – while far more, 29 percent, say they’ll spend a lot less.



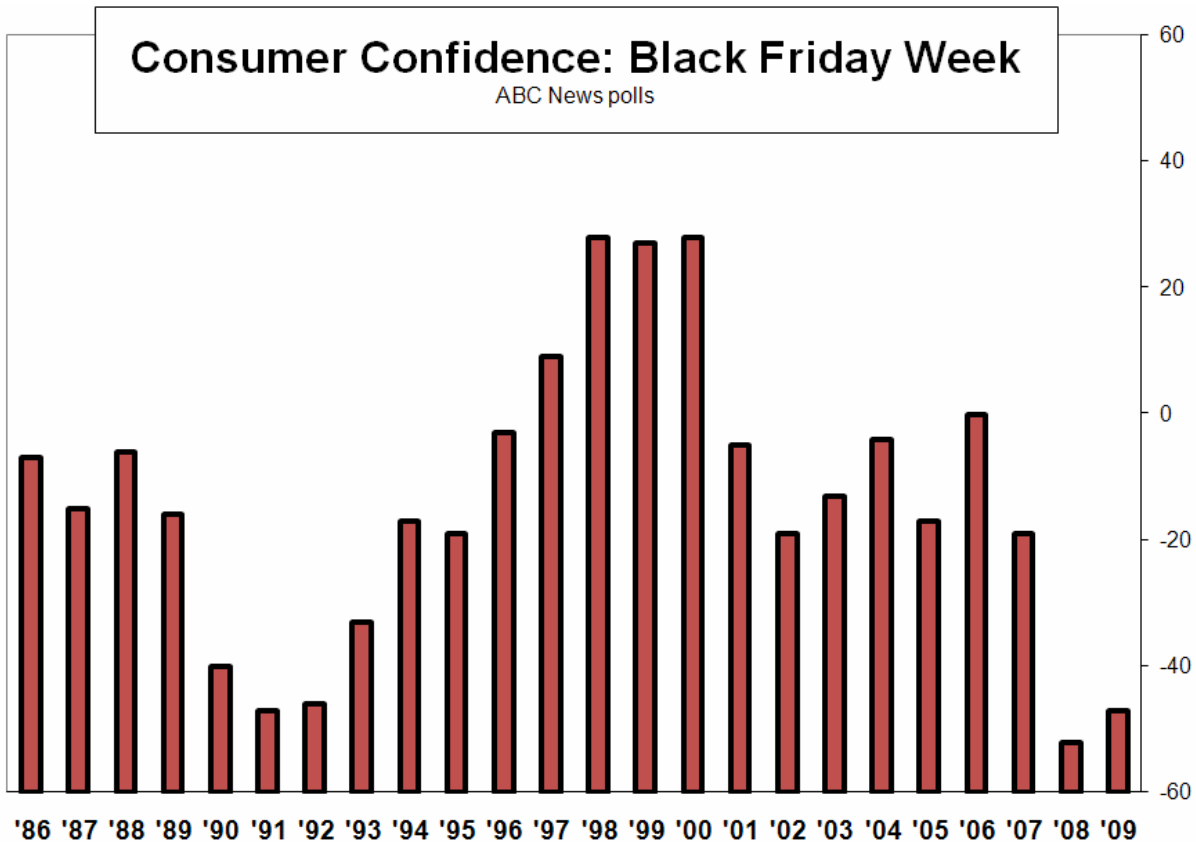
In another, equally unsettling gauge, Americans who plan to buy holiday gifts expect on average to spend just over \$650, down from more than \$700 last year and a new low in ABC News polls since 1999.

There are, for all this, two less-gloomy signs. Plans to cut holiday spending, while still high, have moderated from a year ago in a few groups: Among women, among the highest-income Americans and among seniors. To the extent that these groups are able to drive spending, retailers may do less poorly than they would otherwise.

CHALLENGES – While actual spending depends on prices and products, these results indicate real challenges for retailers in what can be their make-or-break month – a reason they’re taking aggressive measures including extended hours, discounts and incentives. Black Friday, today, marks the traditional start of the holiday shopping season. (The term’s source is unclear, but some say it’s a reference to retailers turning a profit, in accounting terms going “in the black.”)

While some economic indicators have improved, plans to cut back comport with 10.2 percent unemployment – the highest since 1983 – and the damage it’s produced. Three in 10 Americans report a job loss in their household in the past year; among the rest, nearly half are worried about it happening in the months ahead. That makes it an uncomfortable time to spend.

Consumer confidence has averaged lower in 2009 than in any year since ABC News began tracking it weekly in late 1985; it’s been this low heading into Black Friday just three times before – in 1991, 1992 and 2008. And in one component of the ABC consumer index, 74 percent call this a bad time to spend money – down from its high of 82 percent in October 2008, but still 11 points above the average, and again one of the worst on record in a Black Friday week.



GROUPS – Income’s the biggest differentiator in spending plans; in households with less than \$50,000 in annual earnings, 57 percent plan to cut back on their holiday spending; that eases a bit to 50 percent in \$50,000 to \$100,000 households. By contrast, in the wealthiest families, with incomes over \$100,000 a year, far fewer – 35 percent – plan to cut back.

More robust spending by higher-income Americans, if it comes about, can offset some of the lower spending in less well-off households, one reason overall spending plans constitute a rough gauge, not a precise one. Indeed, people in \$100,000+ households plan to spend on average about \$1,350 on holiday gifts this year, well more than double the intended amount among all who earn less, about \$530.

Plans to cut back likewise are somewhat higher among women (54 percent plan to spend less, vs. 46 percent of men) and racial minorities (57 percent of nonwhites, vs. 48 percent of whites) – in both cases likely because women and minorities have lower average incomes.

WOMEN, the WEALTHY and SENIORS – As noted, there are less gloomy signs for retailers in the change in spending plans specifically among women, the wealthy and seniors.

That includes a big change among wealthy Americans. Last year 53 percent in \$100,000+ households said they’d spend less on gifts; this year, as noted, it’s 35 percent, an 18-point drop in intended cutbacks in this group. The change is far smaller, 5 points, among those less well-off.

As to women, last year 63 percent said they’d spend less on holiday gifts; this year that’s moderated by 9 points to 54 percent. Spending plans have been flatter among men – 50 percent said they’d cut back last year, 46 percent this year.

One possible reason: Women are more apt to be Democrats, and economic sentiment has improved among Democrats with Barack Obama in office. Indeed Democrats are 18 points less likely than a year ago to plan to cut back their spending on gifts.

Finally, there’s been a disproportionate decline in cutback plans among seniors, who are far less apt than others to be vulnerable to the job market.

| | Plan to spend less on holiday gifts | | |
|--------|-------------------------------------|----------|--------|
| | 11/22/09 | 12/14/08 | Change |
| All | 50 | 57 | -7 |
| Men | 46 | 50 | -4 |
| Women | 54 | 63 | -9 |
| 65+ | 37 | 56 | -19 |
| <50 | 57 | 62 | -5 |
| 50-100 | 50 | 55 | -5 |
| 100+ | 35 | 53 | -18 |
| Dem | 50 | 68 | -18 |
| Ind | 53 | 52 | +1 |

OTHER DATA – One factor in actual retail results may be how much people actually can cut back this year, whatever their preferences, given how depressed spending was last year. Fourth-quarter retail sales dropped by 8.17 percent last year vs. Q4 2007, the first negative quarter in a federal government data series since 1993. And it's continued negative each quarter since.

Recent numbers have been mixed. In preliminary estimates by the federal government last week, retail trade sales last month were 1.4 percent over the previous month, but still 2.1 percent below October 2008. This Wednesday a broader measure, "personal consumption expenditures," were up 0.7 percent in October over September and up 0.8 percent from a year ago; real disposable personal incomes were up 0.2 over the previous month and up 2.2 percent in a year.

METHODOLOGY – This ABC News poll was conducted by telephone Nov. 18-22, 2009, among a random national sample of 1,002 adults including landline and cell-phone respondents. The results have a 4-point error margin. Click [here](#) for a detailed description of sampling error. Field work by Social Science Research Solutions at ICR-International Communications Research of Media, Pa.

Analysis by Gary Langer.

ABC News polls can be found at ABCNEWS.com at <http://abcnews.com/pollingunit>

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Full results follow (*= less than 0.5 percent).

1. Compared to last year, would you say this holiday season you will spend more, less, or about the same on presents for friends and family? (IF MORE/LESS) Will you be spending a lot (MORE/LESS) or a little (MORE/LESS)?

| | ----- More ----- | | | ----- Less ----- | | | No opin./ Don't | |
|------------|------------------|-------|----------|------------------|----------|-------|-----------------|------------------|
| | NET | A lot | A little | NET | A little | A lot | Same | celebrate (vol.) |
| 11/22/09* | 7 | 2 | 4 | 50 | 20 | 29 | 40 | 2 |
| 12/14/08 | 7 | 4 | 3 | 57 | 23 | 34 | 34 | 1 |
| 11/16/08 | 8 | 4 | 5 | 51 | 19 | 31 | 37 | 3 |
| 11/18/07 | 14 | 6 | 7 | 36 | 16 | 19 | 48 | 2 |
| 12/11/06*† | 15 | 4 | 11 | 35 | 16 | 19 | 49 | 1 |

| | More | Less | Same | No opinion/ Don't |
|------------|------|------|------|-------------------|
| | | | | celebrate (vol.) |
| 11/22/09* | 7 | 50 | 40 | 2 |
| 12/14/08 | 7 | 57 | 34 | 1 |
| 11/16/08 | 8 | 51 | 37 | 3 |
| 11/18/07 | 14 | 36 | 48 | 2 |
| 12/11/06*† | 15 | 35 | 49 | 1 |
| 12/15/02*† | 15 | 40 | 44 | 1 |
| 9/14/01*† | 11 | 26 | 59 | 4 |
| 11/7/99 | 15 | 29 | 54 | 2 |
| 12/5/98 | 16 | 27 | 55 | 2 |
| 10/25/98 | 19 | 28 | 52 | 1 |
| 11/9/97 | 17 | 30 | 52 | 1 |
| 10/12/97 | 18 | 36 | 36 | 9 |

| | | | | |
|------------|----|----|----|---|
| 12/8/96 | 14 | 35 | 48 | 3 |
| 10/13/96 | 11 | 33 | 55 | 1 |
| 11/26/95 | 13 | 38 | 48 | 1 |
| 10/15/95 | 13 | 36 | 50 | 1 |
| 11/27/94 | 15 | 34 | 48 | 2 |
| 10/16/94 | 14 | 34 | 51 | 1 |
| 10/17/93 | 14 | 38 | 47 | 0 |
| 11/29/92 | 10 | 41 | 47 | 3 |
| 10/18/92 | 12 | 41 | 45 | 1 |
| 11/24/91*† | 13 | 51 | 35 | 1 |
| 10/20/91 | 11 | 47 | 40 | 1 |
| 10/21/90 | 14 | 38 | 45 | 2 |
| 10/22/89 | 20 | 32 | 47 | 2 |
| 10/30/88 | 16 | 32 | 51 | 0 |
| 12/17/87 | 25 | 29 | 45 | 1 |
| 10/26/87 | 17 | 29 | 53 | 1 |
| 11/30/86 | 17 | 36 | 46 | 0 |
| 12/17/85 | 25 | 28 | 45 | 3 |

* "this holiday season" others "this Christmas"

† LA Times/Bloomberg

2. Roughly how much money do you think you personally will spend on gifts this holiday season?

| | Under \$100 | \$100- \$249 | \$250- \$499 | \$500- \$999 | \$1000 or more | No op./Don't celebrate | Mean | Adjusted Mean* |
|-----------|----------------|-----------------|-----------------|-----------------|-------------------|---------------------------|--------|-------------------|
| 11/22/09 | 8 | 20 | 18 | 21 | 18 | 15 | \$659 | \$659 |
| 11/16/08† | 9 | 18 | 14 | 25 | 22 | 12 | \$716 | \$719 |
| 11/20/05 | 11 | 17 | 15 | 24 | 30 | 3 | \$1096 | \$1213 |
| 12/5/04 | 9 | 14 | 15 | 23 | 28 | 10 | \$843 | \$965 |
| 11/23/03 | 8 | 15 | 16 | 24 | 24 | 14 | \$774 | \$909 |
| 11/24/02 | 8 | 14 | 17 | 26 | 27 | 8 | \$830 | \$997 |
| 11/11/01 | 6 | 16 | 16 | 25 | 22 | 14 | \$775 | \$946 |
| 12/3/00 | 2 | 18 | 16 | 25 | 23 | 15 | \$798 | \$1002 |
| 12/12/99 | 4 | 19 | 16 | 25 | 28 | 9 | \$869 | \$1128 |

Compare to**:

| | | | | | | | | |
|----------|----|----|----|----|----|----|-------|--------|
| 11/14/07 | 4 | 15 | 14 | 24 | 33 | 11 | \$925 | \$964 |
| 11/12/06 | 3 | 14 | 15 | 25 | 34 | 9 | \$865 | \$928 |
| 12/6/98 | 8 | 14 | 22 | 25 | 24 | 7 | \$702 | \$931 |
| 12/5/94 | 9 | 19 | 23 | 20 | 22 | 7 | \$634 | \$925 |
| 12/6/93 | 8 | 17 | 20 | 27 | 19 | 9 | \$639 | \$956 |
| 12/18/92 | 10 | 18 | 20 | 24 | 19 | 9 | \$605 | \$932 |
| 12/15/91 | 7 | 19 | 22 | 24 | 20 | 8 | \$617 | \$979 |
| 12/2/90 | 7 | 19 | 23 | 25 | 17 | 9 | \$588 | \$973 |
| 10/15/89 | 4 | 15 | 25 | 23 | 18 | 15 | \$634 | \$1105 |

†2008 and previous: "spend on holiday gifts this Christmas season"

*Adjusted to 2009 dollars using Inflation Calculator at <http://www.bls.gov/>

**Gallup polls. Gallup records answers above \$5,000 as \$5,000; ABC records answers above \$9,999 as \$9,999. Answers of 0 are excluded from averages.

3 held for release.

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