

ABC NEWS POLL: HOLIDAY SHOPPING

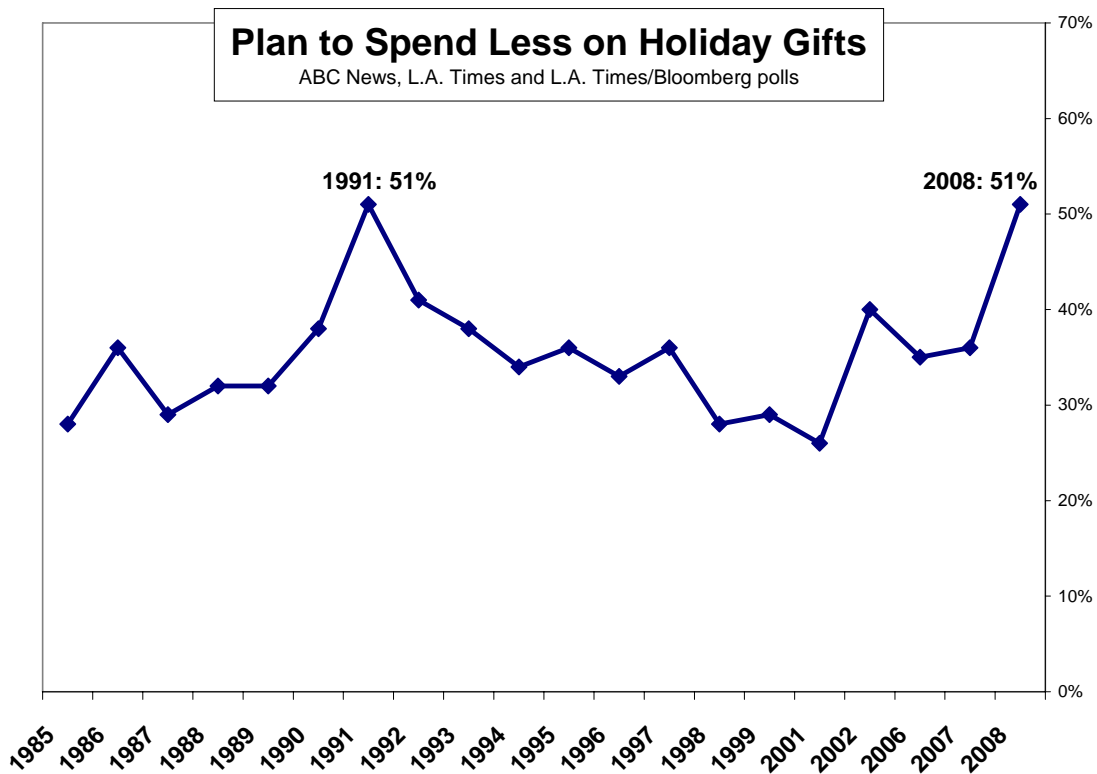
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Holiday Spending Plans Plummet, Signaling a Dismal Retail Season

Americans plan to cut back drastically on holiday spending this year, a dismal prospect for retailers in their most critical season.

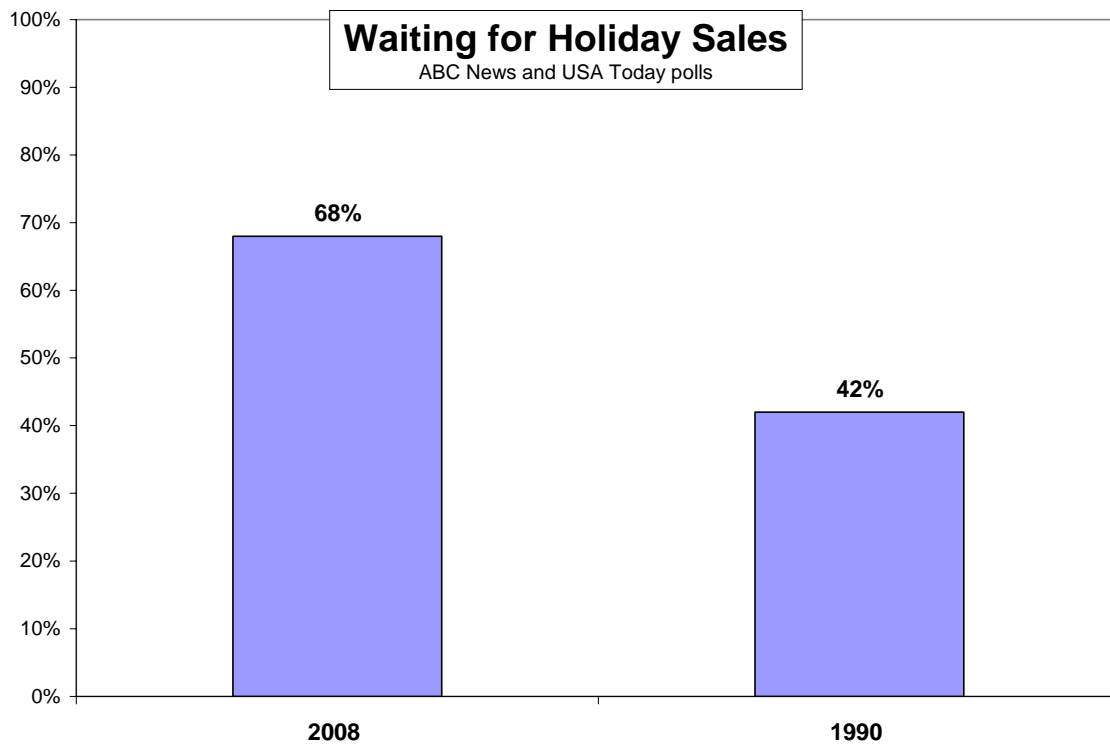
Fifty-one percent in this ABC News poll say they'll spend less this year than last on holiday gifts, matching the sharpest consumer retreat in polls dating back 23 years – last seen ahead of the dreadful Christmas retail performance just after the 1990-91 recession.

More, 68 percent, say they'll wait for sales before buying holiday items, even if that means missing out on things they really want – 26 points higher than in a 1990 poll. And Americans on average say they'll spend \$716 on holiday gifts, the least in polls since 1989 and more than 40 percent below its level three years ago.



The sharp decline in spending plans underscores consumer insecurity in the teeth of the global financial crisis and subsequent recessionary trends. ABC's ongoing Consumer Comfort Index fell this week to its lowest on record in 22 years of weekly polls: Only 7

percent of adults say the national economy is good, just 21 percent call it a good time to spend money and 44 percent rate their own finances positively.



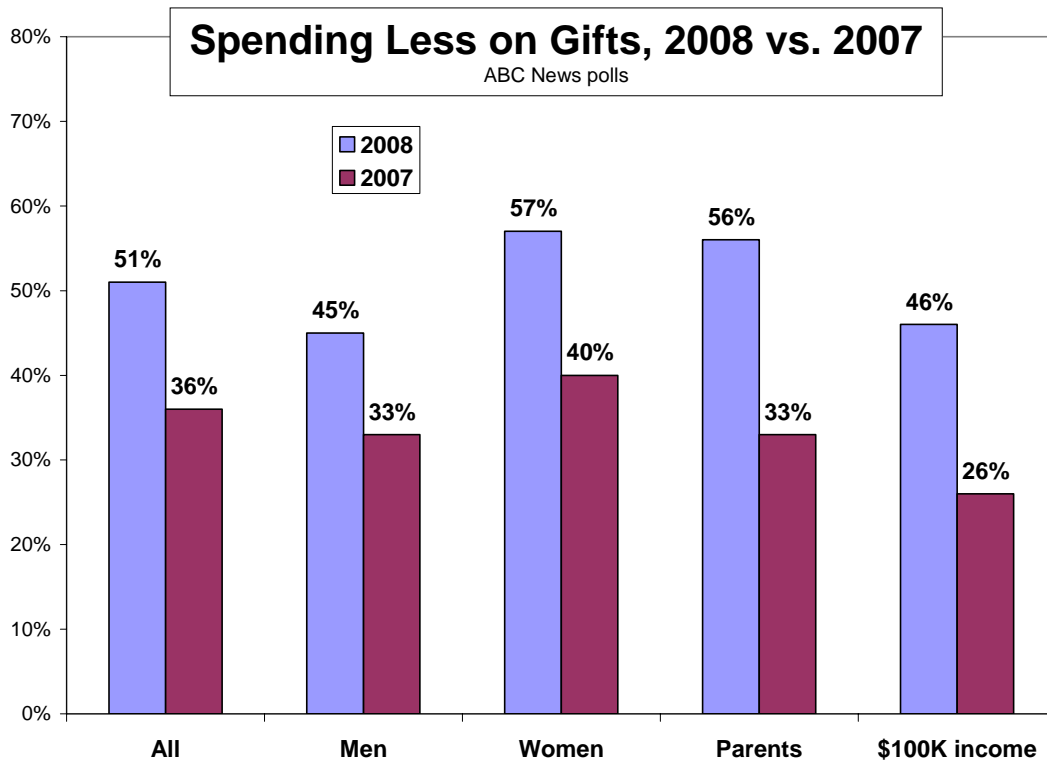
Prospects are no better in cyberspace. Online shopping – previously a bright spot – looks set to level off. While 37 percent say they’ll buy gifts over the internet, that’s essentially unchanged from last year. Few internet shoppers, just two in 10, say they’ll do all or most of their holiday spending online, also essentially unchanged. And online shoppers are as likely as their offline counterparts to say they’ll spend less this season.

The month and a half ahead is an essential period for retailers, some of whom rack up half their annual sales in the holiday period. But this poll indicates no letup from what’s already a raft of grim retail news. In just the past week the Commerce Department reported a 2.8 percent month-to-month decline in retail sales in October, the largest drop in 55 years of surveys; the International Council of Shopping Centers reported a 0.9 percent decline in same-store retail chain sales from a year earlier, the worst in 35 years; Circuit City filed for bankruptcy; Best Buy reported a 7.6 percent drop in October sales; Macy’s reported a \$44 million third-quarter loss; and the National Automobile Dealers Association projected a 12 percent drop in new car and truck sales.

CUTBACK – A mere 8 percent of Americans plan to spend more on holiday gifts, a third of its record high in 1985. Fifty-one percent say they’ll spend less, up 15 points from last year. That includes three in 10 (31 percent) who say they’ll spend “a lot” less.

Plans to cut spending peak among women – 57 percent say they’ll cut back, vs. 45 percent of men. And in a trouble sign for children’s retailers in particular, 56 percent of parents plan to spend less on holiday gifts this year, up 23 points from last year – one of the sharpest pullbacks in any group.

Moreover, while plans to cut back peak in the middle-income ranges, 46 percent of people with more than \$100,000 in household income also plan to spend less – up very sharply from 26 percent last year. That suggests high-end retailers will not be immune.



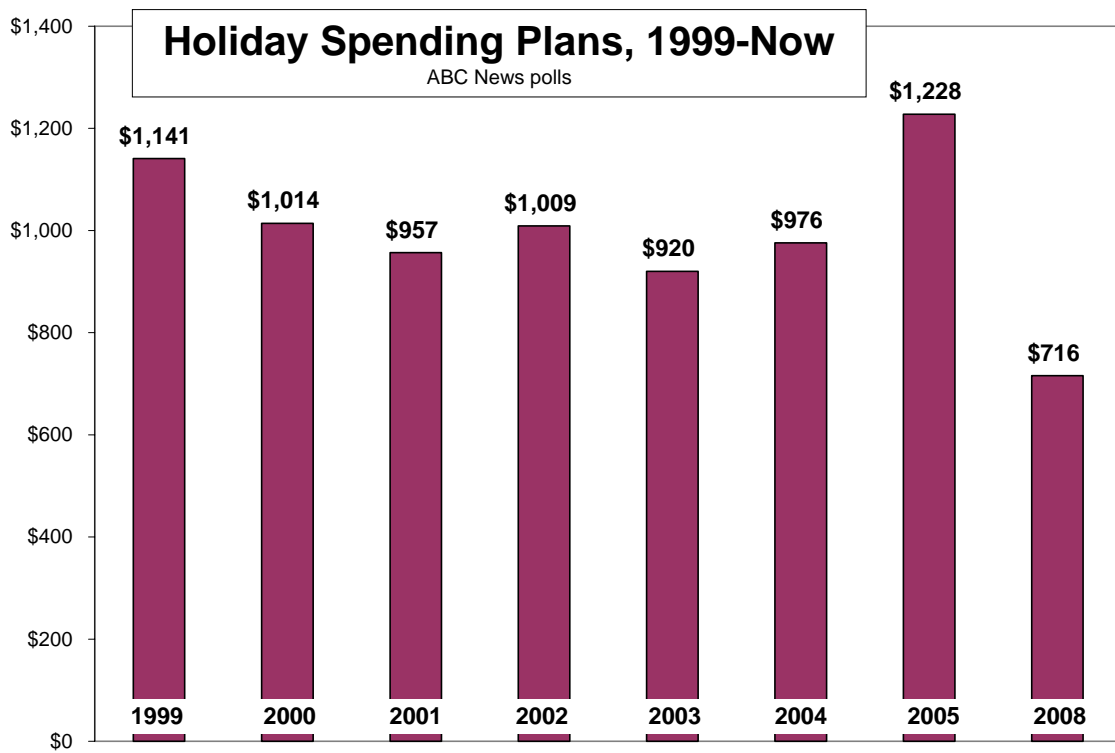
In data since 1985, this is only the second year in which anywhere near this number of Americans have said they’d cut their holiday spending. The last was 1991, when fourth-quarter retail sales were flat – their worst performance in the past generation.

Year	Plan to spend less (%)	Q4 retail sales vs. previous year*
2008	51%	NA
2007	36	+4.56%
2006	35	4.87
2005	NA	5.52
2004	NA	7.15
2003	NA	4.84
2002	40	0.79
2001	26	4.38
2000	NA	5.06
1999	29	9.83
1998	28	6.58
1997	36	3.94

1996	33	6.01
1995	36	3.86
1994	34	7.77
1993	38	7.39
1992	41	7.51
1991	51	0.08
1990	38	4.25
1989	32	4.88
1988	32	8.31
1987	29	5.46
1986	36	6.69
1985	28	NA

*U.S. Census Bureau data

DOLLAR FIGURE – As noted, Americans on average say they’ll spend \$716 on holiday gifts, sharply down from an inflation-adjusted \$1,228 in a 2005 ABC News poll. The number is less precise than it looks – it’s hard to estimate actual spending in advance – but it does indicate the extent to which consumers are pulling in their horns.



Spending plans in this measure are down among women (50 percent lower than in 2005), down by 47 percent in \$100,000-plus households, and down especially steeply, by 61 percent, among seniors.

Average anticipated holiday spending
 2008 2005 Change

All	\$716	\$1,228	-42%
Men	784	1,139	-31
Women	652	1,310	-50
18-64	734	1,167	-37
65+	626	1,591	-61
<\$100K	652	1,153	-43
100+	1,056	1,977	-47

SALES – While majorities across the board say they’re likely to wait for items to go on sale, this, too, peaks in some groups – among women (74 percent are looking for sales, compared with 60 percent of men) and shoppers under age 55. Again, even among well-off shoppers, large numbers are looking for sales – 73 percent in \$100,000-plus households and 80 percent in those with incomes between \$50,000 and \$100,000.

Not only do 68 percent say it’s likely they’ll wait for sales (up from 42 percent in 1990), but 43 percent call it “very” likely – up from 18 percent in that earlier poll.

INTERNET – Finally, elements of the digital divide remain intact: Use of the internet for holiday shopping remains to a great degree a thing of age, income, and education.

Among adults under age 35, 52 percent say they’ll shop online for holiday gifts. That declines steadily across age groups, bottoming out at just 16 percent of seniors. Shopping online also is far more prevalent among higher-income Americans, falling precipitously among those who are less well off. And it peaks among college graduates vs. those who haven’t gone beyond high school.

	Shop online for holiday gifts
Age 18-34	52%
35-44	44
45-55	38
65+	16
Income >\$100K	66
\$50-\$100K	56
\$25-\$50K	27
<\$25K	13
College grad	56
Some college	47
H.S. or less	22

METHODOLOGY – This ABC News poll was conducted by telephone Nov. 12-16, 2008, among a random national sample of 1,002 adults. The results have a 3-point error margin. Sampling, data collection and tabulation by TNS of Horsham, Pa.

Analysis by Gary Langer.

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

Media contact: Cathie Levine, (212) 456-4934.

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

1. Compared to last year, would you say this Christmas 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 -----			Same	No opin./ Don't celebrate (vol.)
	NET	A lot	A little	NET	A little	A lot		
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.)
11/16/08	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

*LA Times or LA Times/Bloomberg; "this holiday season"

2. In your holiday shopping this year, how likely are you to wait for items to go on sale, even if it means taking a risk on not getting exactly what you want - are you very likely to wait for sales, somewhat likely, not so likely or not likely at all?

	----- Likely -----			----- Unlikely -----			No opinion
	NET	Very	Somewhat	NET	Not so	Not at all	
11/16/08	68	43	25	30	8	22	2
10/5/90*	42	18	24	58	25	33	0

*USA Today/Gordon S. Black; base= exchange gifts.

3. Will you use the Internet to buy Christmas or other holiday gifts this year, or not?

	Yes	No	No opinion
11/16/08	37	61	1
11/18/07	36	62	2
11/20/05	31	68	1
12/5/04	30	69	2
11/23/03	31	67	2
12/8/02	24	74	2
11/21/99	18	79	3

4. (IF BUYING ONLINE) Thinking about all the money you'll spend on holiday gifts this year, how much of it will you spend buying gifts on the Internet - nearly all of it, most of it, just some of it or only a little of it?

	All/Most				Some/Little			No opinion
	NET	All	Nearly all	Most	NET	Some	Little	
11/16/08	20	0	5	15	79	53	26	1
11/20/05	19	1	5	13	80	52	28	1

5. (IF BUYING ONLINE) What's the main reason you'll use the Internet to buy holiday gifts this year - is it price, convenience, or something else?

	Price	Convenience	Both (vol.)	Something else	No opinion
11/16/08	10	62	12	16	*
12/8/02	7	73	18	2	1

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

	Under \$100	\$100-\$249	\$250-\$499	\$500-\$999	\$1000 or more	No op./Don't celebrate/DK	Mean	Adjusted Mean*
11/16/08	9	18	14	25	22	12	\$716	\$716
11/20/05	11	17	15	24	30	3	\$1096	\$1228
12/5/04	9	14	15	23	28	10	\$843	\$976
11/23/03	8	15	16	24	24	14	\$774	\$920
11/24/02	8	14	17	26	27	8	\$830	\$1009
11/11/01	6	16	16	25	22	14	\$775	\$957
12/3/00	2	18	16	25	23	15	\$798	\$1014
12/12/99	4	19	16	25	28	9	\$869	\$1141

Compare to**:

11/14/07	4	15	14	24	33	11	\$925	\$976
11/12/06	3	14	15	25	34	9	\$826	\$896
12/6/98	8	14	22	25	24	7	\$702	\$942
12/5/94	9	19	23	20	22	7	\$634	\$936
12/6/93	8	17	20	27	19	9	\$639	\$967
12/18/92	10	18	20	24	19	9	\$605	\$943
12/15/91	7	19	22	24	20	8	\$617	\$991
12/2/90	7	19	23	25	17	9	\$588	\$984
10/15/89	4	15	25	23	18	15	\$634	\$1119

*Adjusted to 2008 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 except in Gallup 2006.

7. Held for release.

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