



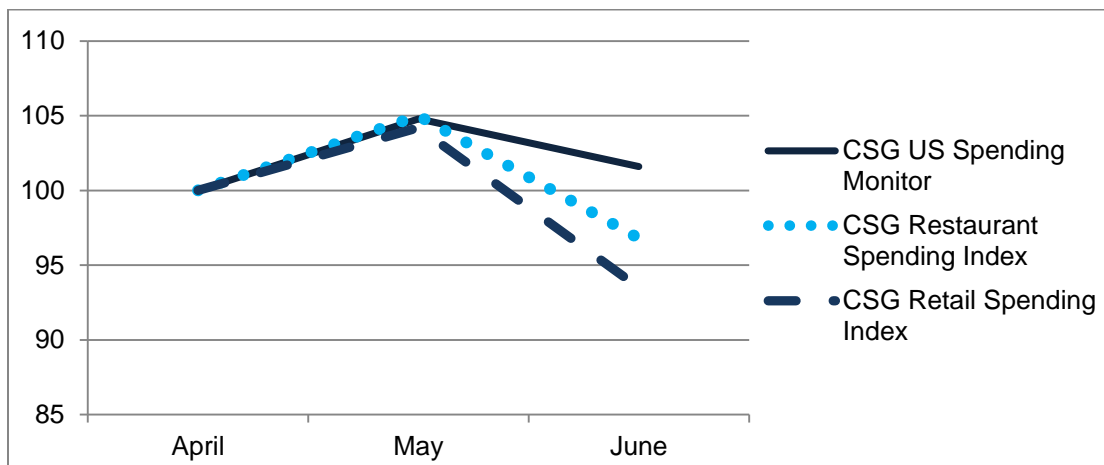
# Consumer Spending Report (CSR)

## July 2014

**Chain Store Guide's** Consumer Spending Report captures a unique view of consumer, retail, and foodservice spending intentions. The CSR includes the CSG US Spending Monitor, which tracks economic confidence and spending intentions of US consumers, the CSG Restaurant Spending Index, which measures consumer spending intentions for restaurant purchases, and the CSG Retail Spending Index that measures consumer retail and discretionary spending confidence. If you would like to subscribe to our monthly report please go to <http://newsroom.chainstoreguide.com/csr>.

### Spending Monitor and Index Trends

Overall, the month of June was not a month of economic confidence or abundance of spending. All three CSG indexes decreased and adults of all income levels, age, and gender reported spending less in June.



The **CSG U.S. Spending Monitor** decreased 3.2 points between May and June. Economic confidence has declined as 44.3% of consumers believe the economy is getting worse (page 2). This is a 5.9% increase in adults believing this from last month. A majority of consumers (60.2%) rate their personal finances as fair or poor for the month of June; this is compared to 56.5% that believed the same in May.

The **CSG Restaurant Spending Index** decreased 8.2 points between May and June. Over half of adults surveyed reported eating out rarely or never in a typical week. This is a 4.7% increase from those who reported the same in May.

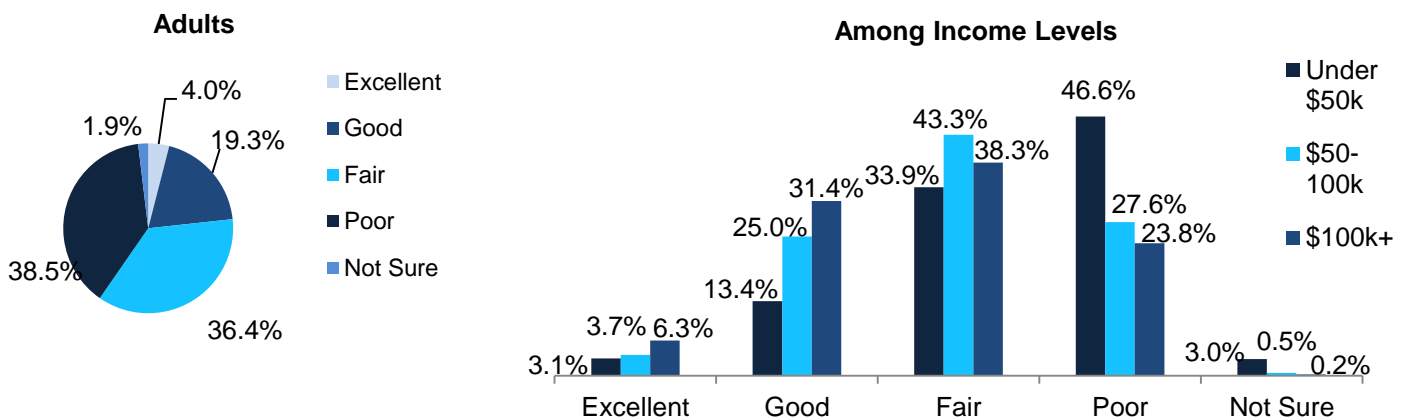
The **CSG Retail Spending Index** decreased 10.5 points between May and June. This decrease can be seen in all areas of spending, as more adults are expecting to spend less on discretionary purchases next month. Spring fever has ended and adults are spending less during the summer months.



## US Economy and Americans Spending

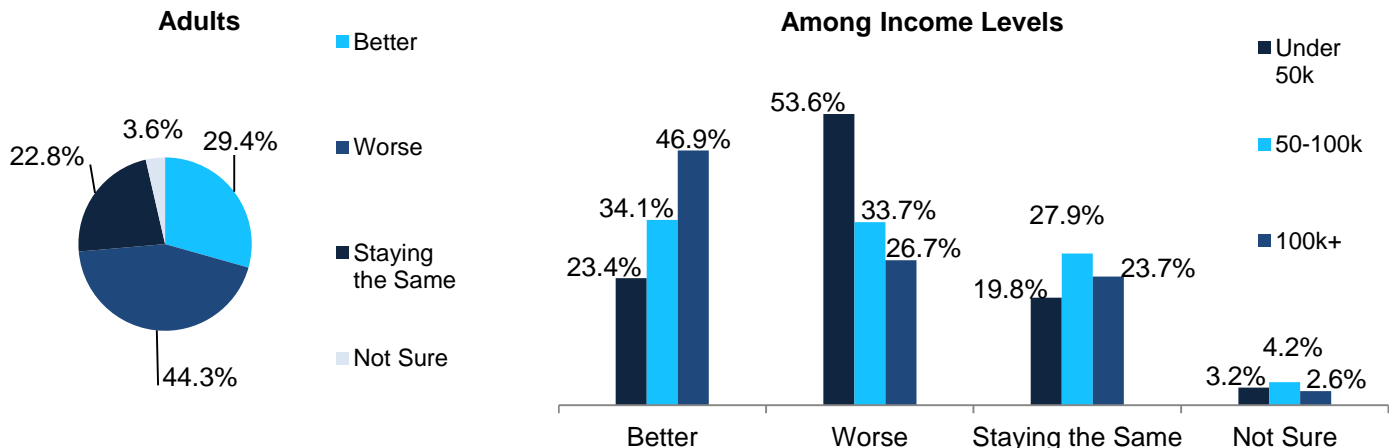
The CSG US Spending Monitor decreased 3.2 points. This is partly due to the fact that only 19.3% of adults surveyed believe the economy to be good and the overall consensus of adults is that the economy is fair (36.4%) or poor (38.5%). Among the adults surveyed there were discrepancies between those who were married and single, and among income levels. Of the participants that were married, 42.4% believe the economy is poor, while only 32.9% of those not married believe the same. Almost half of the participants that make less than \$50k believe the economy is poor (46.6%), compared to 27.6% of those that make \$50-100k and 23.8% of those that make \$100k and above.

### Generally speaking, how would you rate the U.S. economy these days?



When asked whether the economy is getting better or worse, it was found that participants are not optimistic about the near economic future. Overall, 44.3% of participants believed the economy is getting worse. Those that are married had a more negative view on the economic future with 46.6% believing it will get worse, and 40.9% of those not married believing the same. Of those that make \$100k or more, 46.9% believe the economy is getting better, while 23.4% of those that make under \$50k believe the same.

### Are economic conditions in the country getting better or worse?

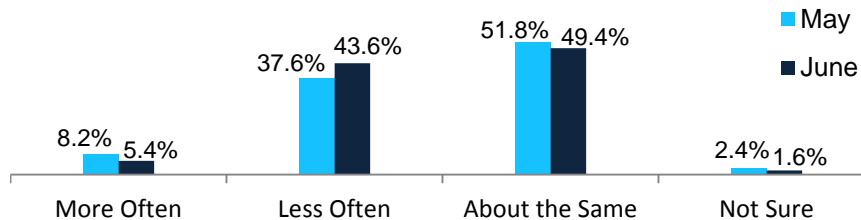




## Restaurant Consumer Insights

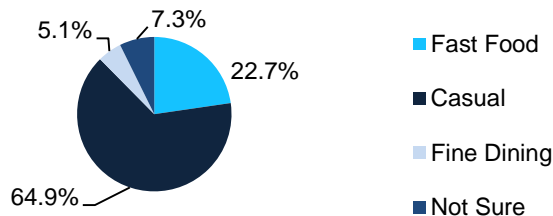
The CSG Restaurant Spending Index decreased 8.2 points in June. Contributing to this decrease was an increase in the percentage of participants who answered they were going out to eat less often compared to six months ago. Of those asked, 43.6% said they were going out to eat less; this number has increased 6% from May where only 37.6% of adults reported the same.

### Compared to 6 Months ago, are you going out to eat more or less often?

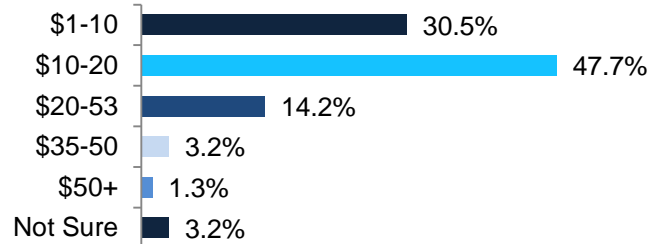


June's data revealed that Americans still prefer to eat at casual restaurants more than any other type. According to our monthly CSR Restaurant data, 64.9% of consumers surveyed visited casual restaurants for dinner a majority of the time, while 22.7% visited fast food establishments. Average check sizes also favored lower price options: 30.5% of consumers expect a cost per person between \$1-\$10 and 47.7% expect a cost of \$10-\$20 per person.

### In general, what type of restaurant do you usually go to for dinner the majority of the time?

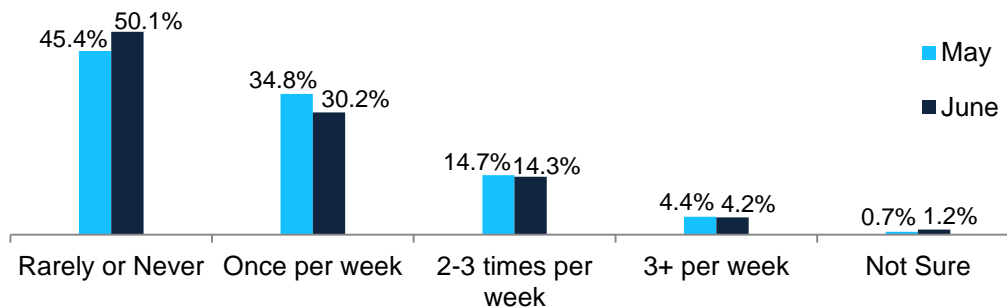


### What do you expect your average cost per person will be when you go out for dinner?



When asked, "In a typical week how often do you go out to a restaurant for dinner," it was found that 50.1% of adults reported going out to eat rarely or never. This number is up 4.7% as only 45.4% of adults reported rarely or never in the month of May.

### In a typical week, how often do you go out to a restaurant for dinner?

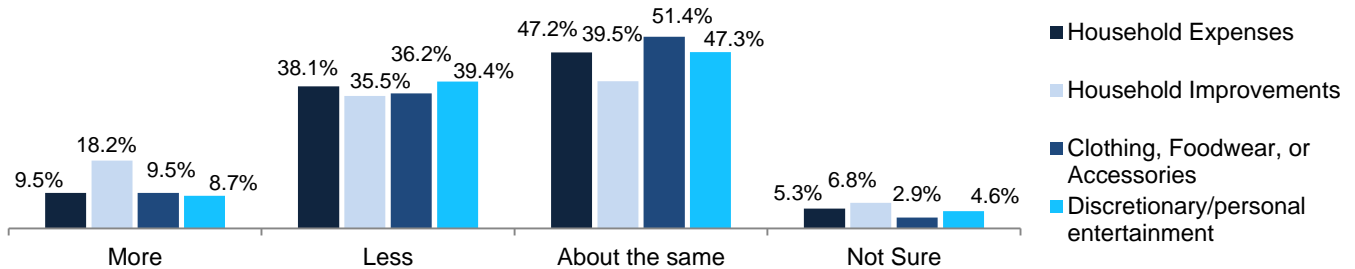




## Retail Consumer Insights

The CSG Retail Spending Index declined 10.5 points in June. As a consequence of American's belief that the economy is continuing to get worse, it has resulted in less retail spending. While almost 40% of adults said they would spend less in all areas of spending, 18.2% of adults said they would spend more on household improvements. This is a 5.2% decrease from those that reported the same last month.

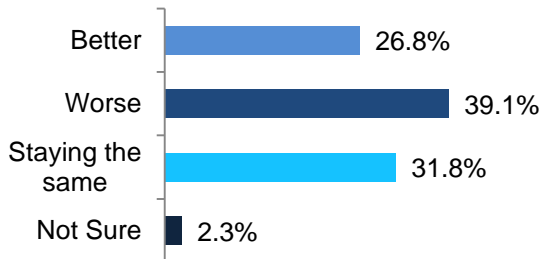
### In the next month, will you spend more, less, or about the same on....



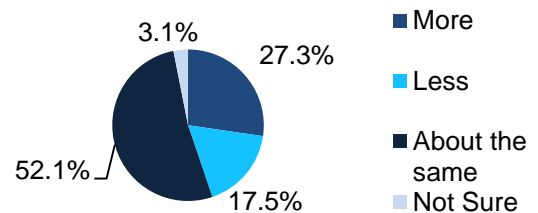
## Retail Spending Forecast

A combined 60.2% of adult's surveyed rate their personal finances as fair or poor and 39.1% believe their personal finances are getting worse. This has affected retail spending and as a result several stores have suffered. While June was not a month of great spending, 27.3% of adults surveyed believe they will spend more next month, and 17.5% say they will spend less.

### Are your personal finances getting better, worse, or staying the same?



### How will you spend next month?



### Editor's Note:

#### **Dots, No Longer on the Map**

"On January 20, 2014, Dots, LLC filed for Chapter 11 in the U.S. Bankruptcy Court. The private company operated a chain of fashion apparel retail stores for women, named Dots. The stores, which targeted women between the ages of 25 and 35, offered value-priced fashion apparel and accessories for the junior, misses, and plus-size markets. Dots, LLC was founded in 1987 and based in Glenwillow, Ohio with stores in the midwest, on the east coast, and in several southern states. At its peak, the company had 425 stores. Liquidation sales began earlier this spring and all stores at an average 4,350 square feet, were closed in May of this year. The closings left 1.8 million square feet of retail selling space unoccupied."

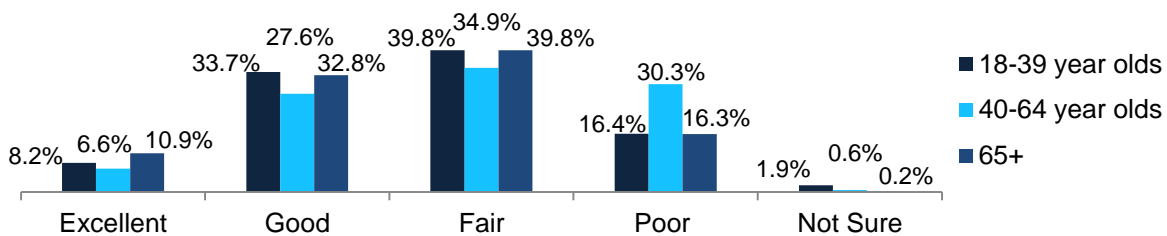
-Natasha Perry (nperry@chainstoreguide.com)



## The Pessimistic Age Group: 40-64 year olds

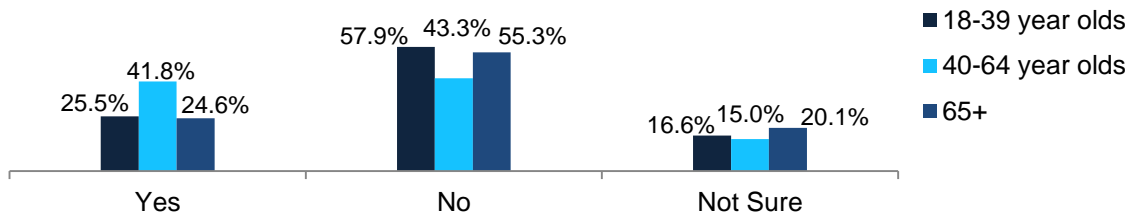
When analyzing each question, one age group stood out in believing their personal finances and the economy are fair or poor and getting worse, that their spending would be less in the next month, and they will have added expenses or a shortfall of income in the next 30 days. While none of the age groups were extremely optimistic, the 40-64 year olds had the greatest percentages for almost all questions where the answer was a negative response. Almost 30% of adults from the 18-39 and 65+ age groups believe the economy is fair; this is contrasted by 47.8% of 40-64 year olds believing the same. When asked to rate their personal finances, 16% of the 18-39 and 65+ year olds answered poor, while 30.3% of 40-64 year olds answered the same.

### How would you rate your own personal finances these days?



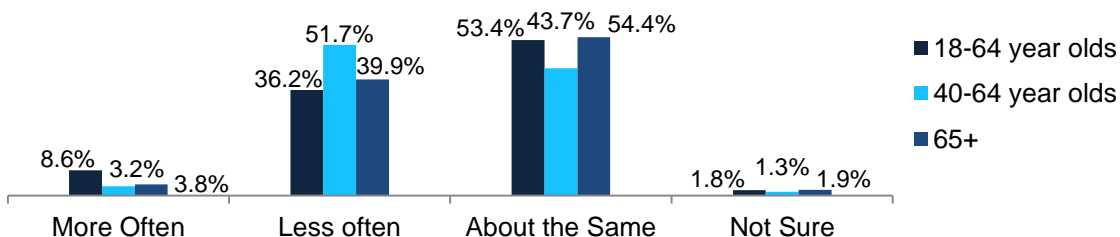
When asked if they expected to have any added expenses or a shortfall in income in the next 30 days, 41.8% of 40-64 year olds said yes, while 25.5% of 18-39 and 24.6% of 65+ year olds said the same.

### Over the next 30 days, do you anticipate any added expenses or a shortfall in income that would cause you to cut back on your current lifestyle or spending habits?



Not only do those between 40 and 64 have negative views about their finances, but they also report going out to eat less often and spending less on discretionary personal entertainment expenses. When asked, "Compared to 6 months ago, are you going out to eat more or less often," 51.7% of those 40-64 said they eat out less often, while 36.2% of 18-39 year olds and 39.9% of adults 65 and older said the same. Over 45% of 40-64 year olds also said they would spend less in the next month on discretionary personal entertainment expenses, while 30.1% of 18-39 year olds and 43.5% of those 65 and older said the same.

### Compared to six months ago, are you going out to eat more often, less often or are you going out to eat about the same as before?





## **About Chain Store Guide**

For 80 years, Chain Store Guide (CSG) has been the leading provider of comprehensive and definitive retail and foodservice intelligence to businesses around the world.

Chain Store Guide details all major retailers, restaurants, distributors and wholesalers in the United States and Canada with contact information on over 700,000 establishments.

Chain Store Guide provides data in print directory, online web application and customized database formats. Chain Store Guide data is used by manufacturers, suppliers, service providers, brokers, real estate professionals, retailers, analysts, consultants and other professionals seeking to gain insight into retail and foodservice markets in the U.S. and Canada. Since 1934, Chain Store Guide has been the leading data source for in-depth information on retailers, restaurants, and foodservice operations.

The CSG US Spending Monitor, Retail Spending Index, and Restaurant Spending Index are monthly indexes of consumer spending intentions and capacity based on interviews with a random sample of 1,500 U.S. adults. In addition to spending, the survey asks consumers their opinions on the U.S. economy and their personal finances, retail and other discretionary spending. Surveys are conducted by Rasmussen Reports, an independent survey research firm ([www.rasmussenreports.com](http://www.rasmussenreports.com)).

The CSR is a summary analysis of our data, if you would like a more detailed analysis, have any questions, or would like to quote any of the information from this report, please contact Rebecca Ewing at [rewing@chainstoreguide.com](mailto:rewing@chainstoreguide.com).