

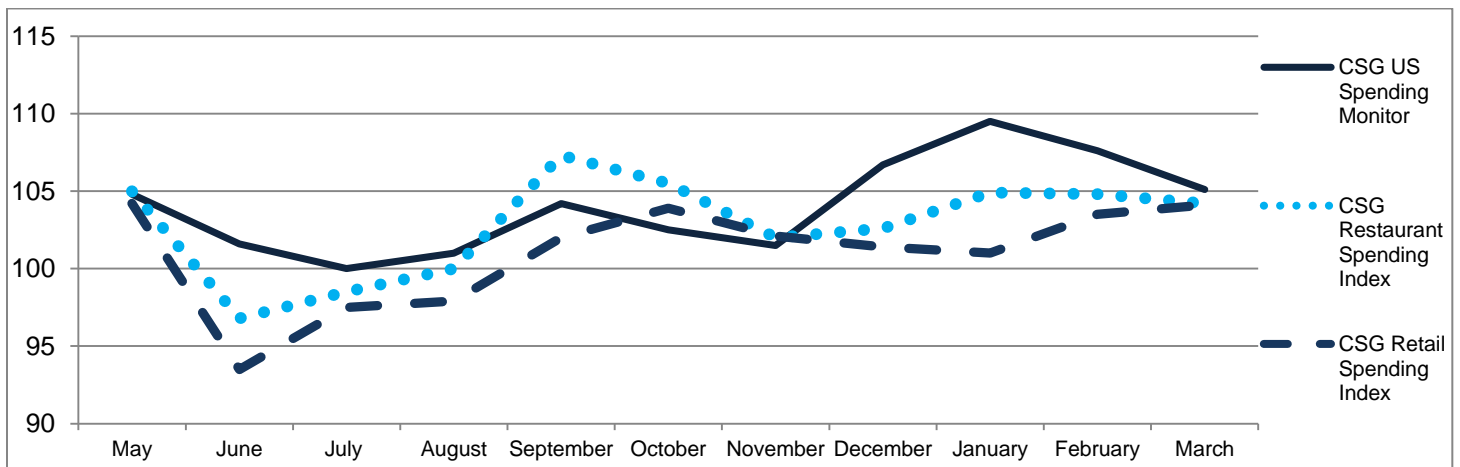


Consumer Spending Report (CSR)

April 2015

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



The **CSG U.S. Spending Monitor** decreased 2.5 points. One explanation for the decrease is that more adults this month rated the economy as poor and a greater percentage said it is getting worse. Gas prices have slowly started rising again, international tensions have heightened, and other economic issues have been weighing on American's minds, causing many people's perception of the economy to worsen. Republicans had the highest percentage of people that rated the economy as fair or poor, with 79.1%. The percentage of Democrats that answered fair or poor was less, but still high, with 52.0%. Most adults surveyed rated their personal finances as fair with 39.1%; the other categories are evenly split with 9.3% answering excellent, 29.6% answering good, 20.4% answering poor, and 1.7% weren't sure. Adults were also evenly split in their opinions on if their personal finances are getting better or worse, with 27.6% answering better and 33.7% answering worse.

The **CSG Restaurant Spending Index** decreased 0.6 points between February and March. Although there was a slight drop in the restaurant spending index, households across the U.S. still regularly frequent dining establishments with 64.3% of married adults visiting casual dining locations compared to 54.8% of single adults surveyed. Fast food locations were patronized the most by single adults (31.6%) compared to the 23.8% of married adults. Expected average costs per person results followed in-line with the types of restaurants both single and married adults visited a majority of the time.

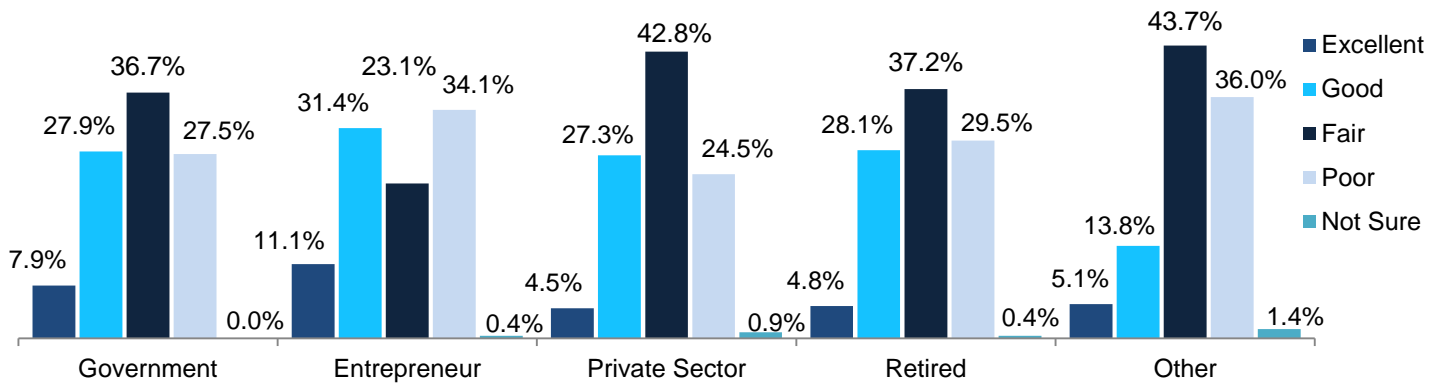
The **CSG Retail Spending Index** increased 0.6 points. While the percentage of adults that reported they would spend more on household expenses decreased to 11.8%, almost 20% said they would spend more on household improvements, and 17.4% said they would spend more on clothing, footwear, or accessories. As spring is approaching, it is expected that spending in these areas will continue to increase in the upcoming months. When asked if they expect any added expenses or a shortfall in income in the next thirty days, 36.1% answered yes, 47.5% answered no, and 16.4% weren't sure. Almost half of adults reported spending about the same as last month and over 30% answered more. When asked on spending next month, more than half answered they would spend about the same and almost 30% answered more.



US Economy and Americans' Spending

The **CSG U.S. Spending Monitor** decreased 2.5 points. More adults have begun rating the economy as poor and a greater percentage said it is getting worse. Gas prices have slowly started rising again, tensions with Iran have heightened, and other economic issues that occurred have been weighing on American's minds, causing many people's perception of the economy to decrease. Republicans had the highest percentage of people that rated the economy as fair or poor, with 79.1%. The percentage of Democrats that answered fair or poor was less, but still high, with 52.0%. Entrepreneur's had the highest percentage that believe the economy is excellent, with 11.1%, followed by those that work in the government (7.9%), retirees (4.8%), and those in the private sector (4.5%).

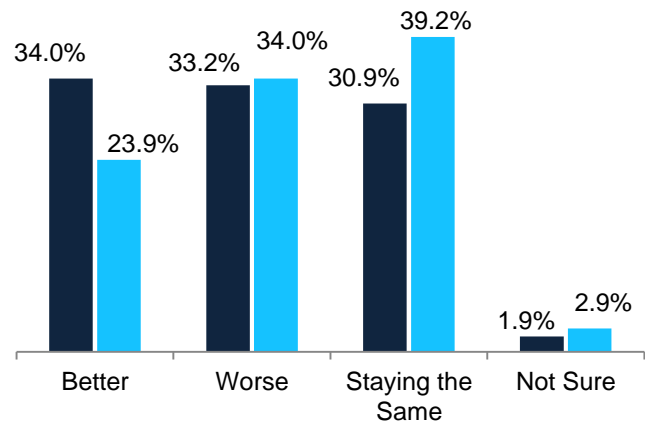
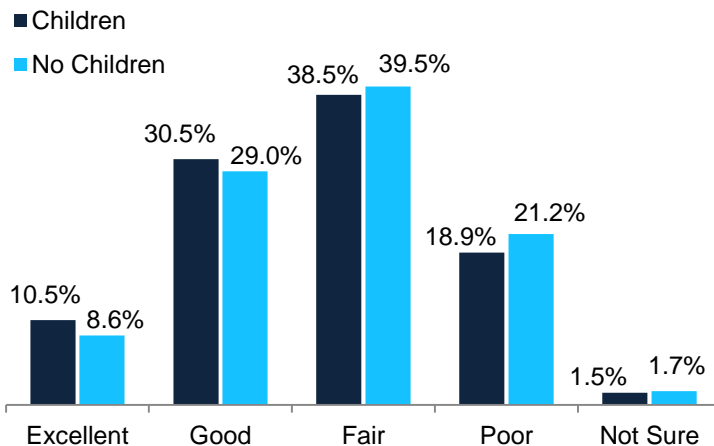
Generally speaking, how would you rate the U.S. economy these days?



More adults this month are rating their personal finances as fair or poor. Overall, a combined 38.9% of adults rated their personal finances as excellent or good, while a combined 59.5% answered fair or poor. Those aged 65 or older had the greatest percent that said their personal finances are excellent or good with 46.3%; this is followed by 18-39 year olds with 39.1%, and 40-64 year olds with 35.7%. Most adults surveyed believed that their finances are staying about the same with 36.2%. This is followed by 33.7% who said it is getting worse, 27.6% who said better, and 2.5% who weren't sure. Adults with children, compared to those without children, had a much higher percentage that rated their finances as excellent or good and believed it is getting better.

How would you rate your own personal finances these days?

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

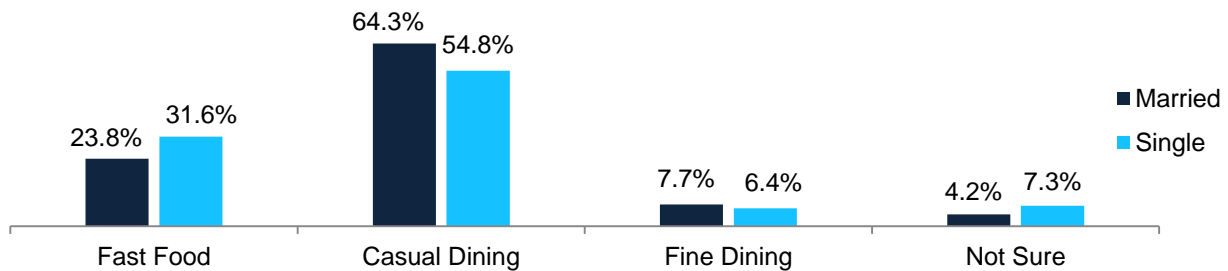




Restaurant Consumer Insights

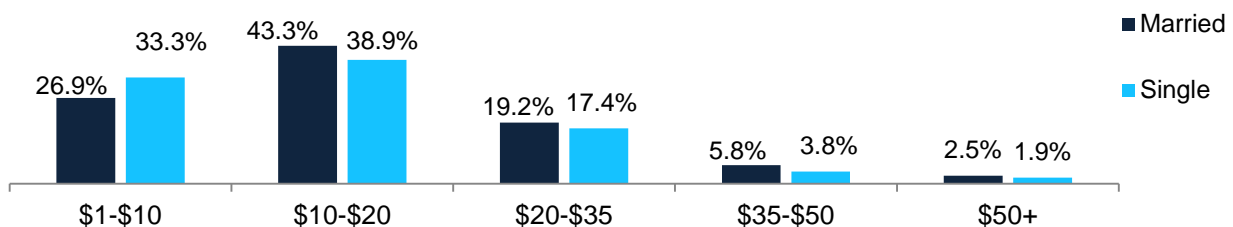
The **CSG Restaurant Spending Index** decreased 0.6 points between February and March. Although the restaurant spending index continues to gradually decrease, households across the U.S. still frequent dining establishments regularly. Specifically, casual dining locations continue to be the dominate choice between both married and single adults surveyed at 64.3% and 54.8%, respectively. Those who surveyed as single, 31.6%, choose to visit fast food locations a majority of the time compared to only 23.8% of those who surveyed as being married. Fine dining establishments were frequented relatively the same with 7.7% of adults who are married and 6.4% of adults who are single.

What type of restaurant do you usually go to for dinner the majority of the time?



When comparing the expected average cost per person between those surveyed as being single or married, the percentages tend to correspond with the types of restaurants each of them frequent the most. For instance, since there is a higher percentage of single diners (31.6%) frequenting fast food locations (vs. 23.8% of married diners surveyed), it can be expected that there would be a higher percentage of single diners spending between \$1-\$10 (33.3%) when they go out to dinner (vs. 26.9% of married diners surveyed). Since casual dining locations have a check average between \$10-\$20 per person, the same comparison can also be expected from the 43.3% of married adults surveyed spending \$10-\$20 per person compared to the 38.9% single adults surveyed.

What type of restaurant do you usually go to for dinner the majority of the time?



If You Can't Beat Them, Join Them (Part Two)

"On our second trip around the foodservice scale, we turn our focus to a handful of full service restaurants that either went fast casual years ago or are now hinting at the thought of jumping on the bandwagon. With pressure to revamp images in order to stay relevant to consumers, full service restaurants are catching the widespread "Chipotle Fever" and shaking the industry up.

For instance, P.F. Chang's China Bistro opened the company's first and only fast casual contender, Pei Wei Asian Diner, in 2000. Since then, Pei Wei Asian Diner has successfully served its fresh ingredient-filled, hand-rolled sushi rolls and customizable entrees to almost 200 of its locations.

In the near future, it will be interesting to see, taste, and experience the new fast casual versions of our favorite full service restaurants."

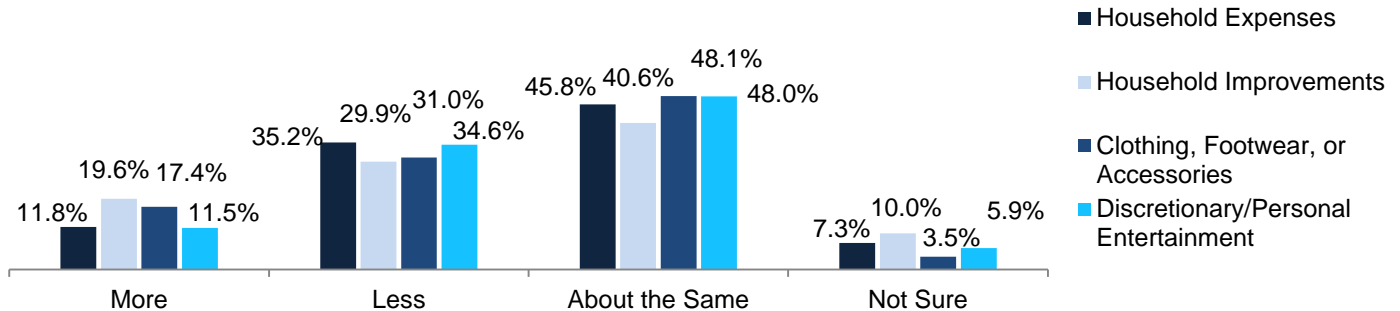
- Loren McCollom (lmccol@chainstoreguide.com)



Retail Consumer Insights

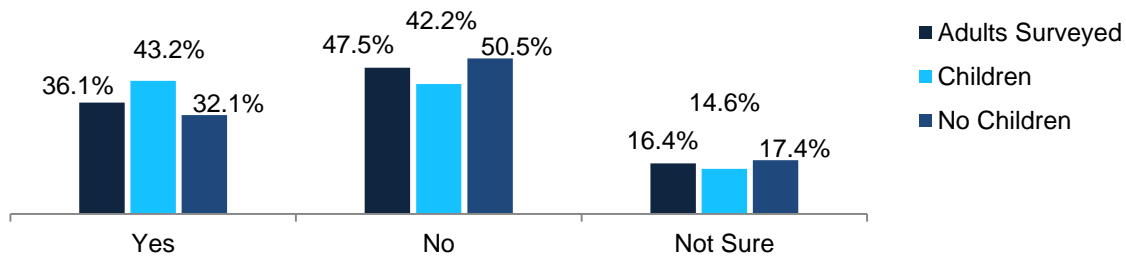
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In the next month, will you spend more, less, or about the same on....



Almost half of adults surveyed reported spending about the same as last month and over 30% said they spent more. It is expected that spending next month will increase slightly as almost 50% of adults said they would spend about the same next month and about 30% answered more. When asked if they expect any added expenses or a shortfall in income in the next thirty days, 36.1% of adults surveyed answered yes, 47.5% answered no, and 16.4% weren't sure. With Easter and summer vacation approaching, it is not surprising that those with children had a higher percentage that expected extra expenses or a shortfall of income in the next thirty days; 43.2% vs. 32.1%.

Over the next 30 days, do you anticipate any added expenses or a shortfall in income?



Retail Pay: Giving America a Raise

The TJX Companies Inc., parent of T.J. Maxx, Marshalls and HomeGoods stores, is the latest retailer to announce a boost in pay for its U.S. workers. The company said that it will increase pay to at least \$9 an hour starting in June of this year. It is estimated that The TJX Companies' current hourly pay is at about \$8.24. In addition to higher starting wages, the company, which has 191,000 employees, said that it plans to pay all workers who have worked at its stores for more than six months at least \$10 per hour by 2016.

TJX Companies' announcement came a week after Walmart said it would increase starting wages for its U.S. employees to at least \$9 per hour by April and by at least \$10 by February 2016. Top apparel chain Gap Inc. was first to raise hourly employee pay. The company announced in February of last year that it would set \$9 as the minimum hourly rate at its Gap, Banana Republic and Old Navy stores and then establish a minimum of \$10 the following year.

The retail industry supports one in every four U.S. jobs, representing about 42 million workers. This explains why employee pay has been a hot topic among large retailers and lawmakers. President Obama is endorsing a bill in Congress that includes a proposed increase in the federal minimum wage from \$7.25 to \$10.10 an hour. Most retail workers already make more than the federal minimum wage but not much more. Still, the industry has mostly shunned the idea of higher wages. The National Retail Federation, which represents some of the nation's largest retailers, is fighting President Obama's proposal, saying the financial burden could force them to raise prices or reduce workforce.

-Natasha Perry (nperry@chainstoreguide.com)



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).

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.