

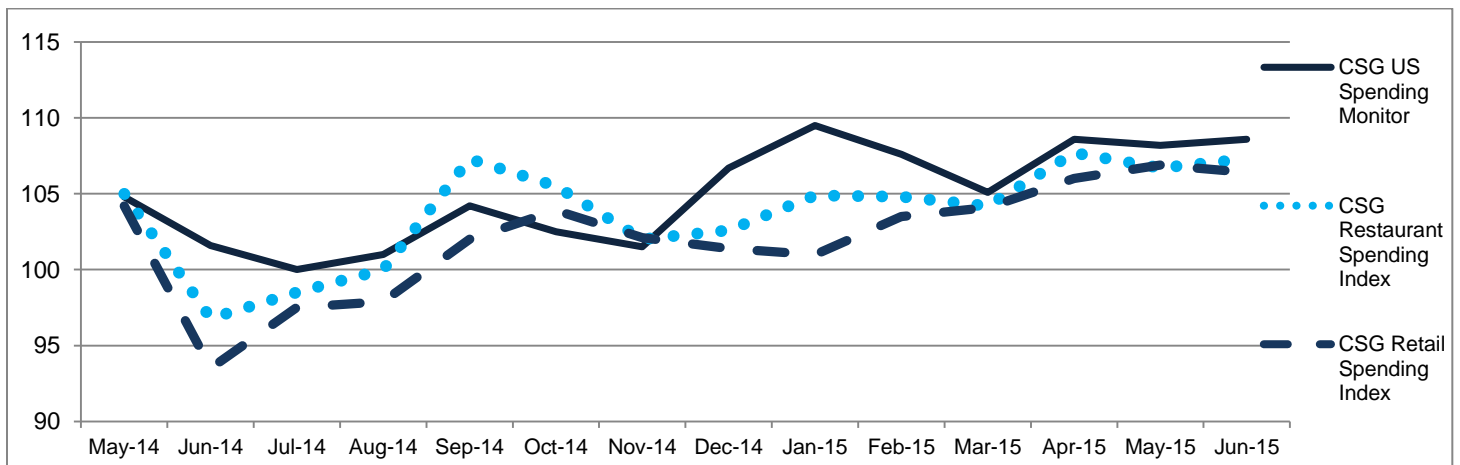


# Consumer Spending Report (CSR)

## July 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 Index** increased 0.4 points. The monitor remained relatively stagnant this month with a combined 30.9% of adults rating the economy as excellent or good and 68.0% as fair or poor. While the percentage of adults that rate the economy as excellent or good is significantly lower than those that rate the economy as fair or poor, the percentage has continued to increase over the past year. Last April only 21.6% said excellent or good; that percentage grew to 29.4% by December 2014, 33.2% in April 2015, and has stabilized at 30.9% this month. When asked if personal finances are getting better or worse the percentages were evenly split with 30.7% answering better, 33.1% answering worse, 35.2% answering the same, and 0.9% weren't sure.

The **CSG Restaurant Spending Index** increased 0.6 points between May and June. Compared to six months ago, 46.8% of adults who make under \$50K stated that they are going out to eat less often compared to the 32.6% of adults making \$50-\$100K and 19.1% making more than \$100K. Additionally, a majority of the adults surveyed across all income brackets – under \$50K at 41.4%, \$50-\$100K at 48.1%, and \$100K+ at 49.9% – expect their average cost per person when dining out to be between \$10 to \$20.

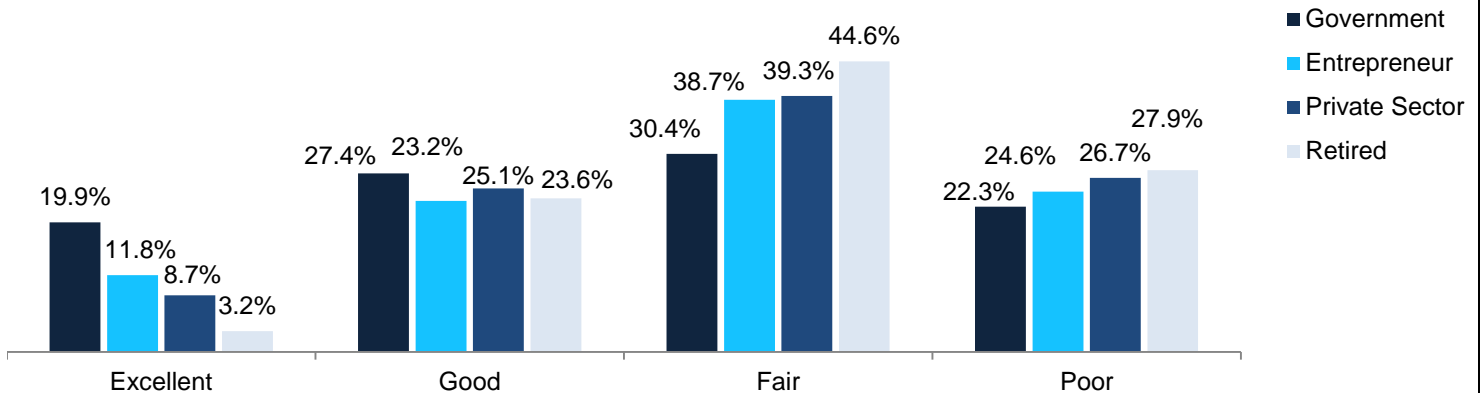
The **CSG Retail Spending Index** decreased 0.5 points. Reports of expected spending for next month slightly decreased in every category except for discretionary personal entertainment expenses, 13.7% in May vs. 14.9% in June. The category with the largest percentage of expected spending was household improvements with 22.9%. Almost half of adults surveyed reported that they spent about the same this month compared to last. Adults surveyed with children had the highest percentage that said they spent more this month compared to last (40.8% vs. 28.9%). It is expected that the spending index will remain about the same next month as 28.2% say they will spend more and 51.3% say they will spend about the same.



## US Economy and Americans' Spending

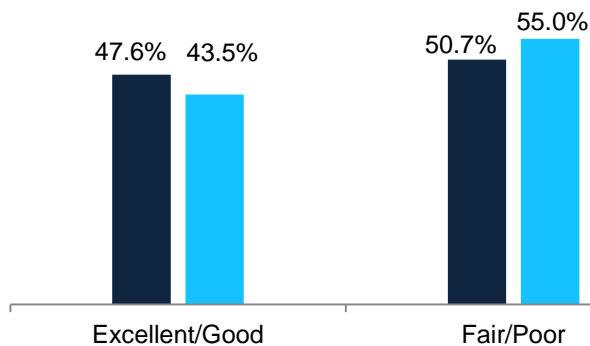
The **CSG U.S. Spending Monitor** increased 0.4 points. The monitor remained relatively stagnant this month with a combined 30.9% of adults rating the economy as excellent or good and 68.0% as fair or poor. While the percentage of adults that rate the economy as excellent or good is significantly lower than those that rate the economy as fair or poor, the percentage has continued to increase over the past year. Last April only 21.6% said excellent or good; that percentage grew to 29.4% by December 2014, 33.2% in April 2015, and has stabilized at 30.9% this month. Adults that report working in the Government Sector had the highest percentage that rated the economy as excellent with 19.9%; this is followed by 11.8% of entrepreneurs, 8.7% in the private sector, 4.9% of those that selected the 'other' category, and 3.2% that are retired. When asked if they believe the economy is getting better or worse, adults were evenly split with 32.7% that answered better, 38.1% that answered worse, 26.2% said it is staying the same, and 3.0% weren't sure.

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

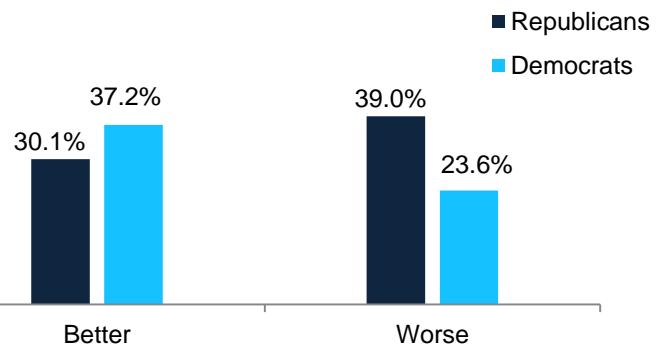


As evident by the index, the percentage breakdown of how adults rated their personal finances stayed relatively the same this month: 11.4% answered excellent, 30.6% answered good, 39.2% answered fair, 17.7% answered poor, and 1.2% weren't sure. When asked if personal finances are getting better or worse the percentages were evenly split with 30.7% answering better, 33.1% answering worse, 35.2% answering the same, and 0.9% weren't sure. Republicans surveyed had a greater percentage of those that rated their personal finances as excellent or good, but Democrats had a greater percentage that reported their finances as getting better.

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



### Are your personal finances getting better these days, or worse?

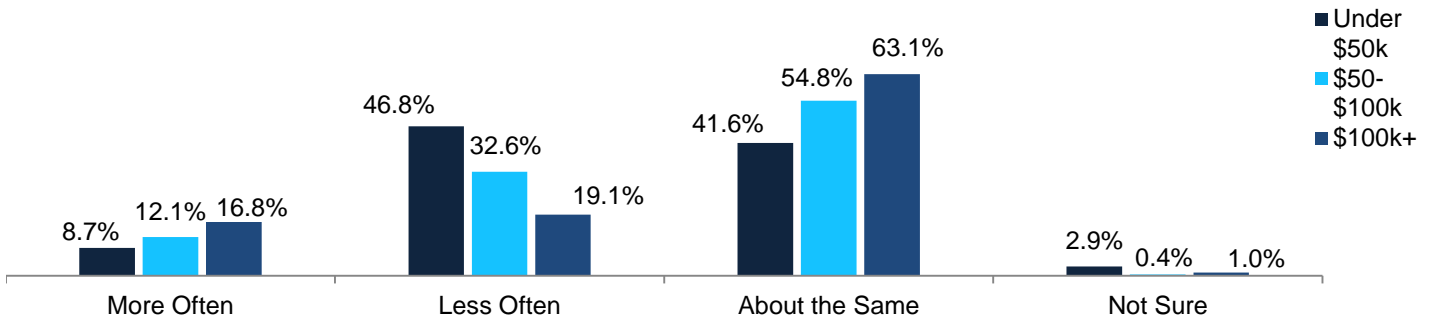




## Restaurant Consumer Insights

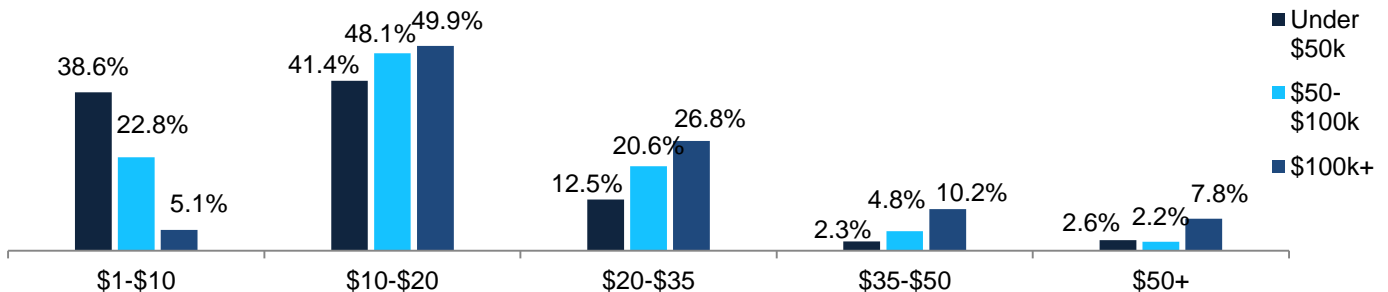
The **CSG Restaurant Spending Index** increased 0.6 points. Compared to six months ago, 46.8% of adults who make under \$50K stated that they are going out to eat less often compared to the 32.6% of adults making \$50-\$100K and 19.1% making more than \$100K. With nearly double the percentage points as the under \$50K consumers (8.7%), those who make \$100K+ surveyed at 16.8% for going out to eat more often compared to six months ago while the \$50-\$100K group settled in at 12.1%.

**Compared to six months ago, are you going out to eat more often/less often?**



A majority of the adults surveyed across all income brackets – under \$50K at 41.4%, \$50-\$100K at 48.1%, and \$100K+ at 49.9% – expect their average cost per person when dining out to be between \$10 to \$20. Consumers who make under \$50K (38.6%) expect to spend \$1-\$10 compared to only 22.8% and 5.1% of \$50-\$100K and \$100K+ consumers, respectively. Those surveyed making \$100K+ nearly doubled (26.8%), quadrupled (10.2%), and tripled (7.8%) the percentage results of those surveyed under \$50K (12.5%, 2.3%, 2.6%) in the average cost categories of \$20-\$35, \$35-\$50, and \$50+ per person.

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



### **Not So Fast Jimmy John's!**

*"In October 2014, a well-known sandwich chain added a few extra pages for their employees to sign at franchisee-owned locations across the United States. The pages included a non-compete agreement stating that all Jimmy John's employees cannot work at a competing sandwich shop for a period of two years following their departure. To be more specific, a "competing sandwich shop" is one that earns nearly 10% or more of its revenue from sandwiches, which can include independent and local chains, and is located within three miles of any Jimmy John's location.*

*According to Chain Store Guide's Chain Restaurant Operators database, there are over 2,100 Jimmy John's locations spanning across 40+ states. While 2,100 locations doesn't sound like it would affect an employee much, when an employee signs a Jimmy John's non-compete agreement, they are essentially prohibited from working at one of the nearly 43,700 Subway locations, Quiznos' 2,100 stores, Jersey Mike's nearly 850 locations, or even one of Which Wich's 320+ stores."*

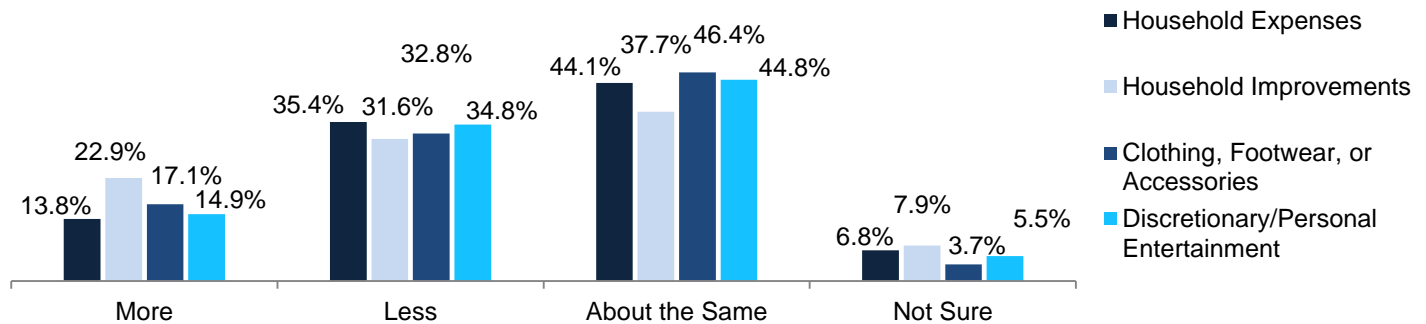
*-Loren McCollom (lmccol@chainstoreguide.com)*



## Retail Consumer Insights

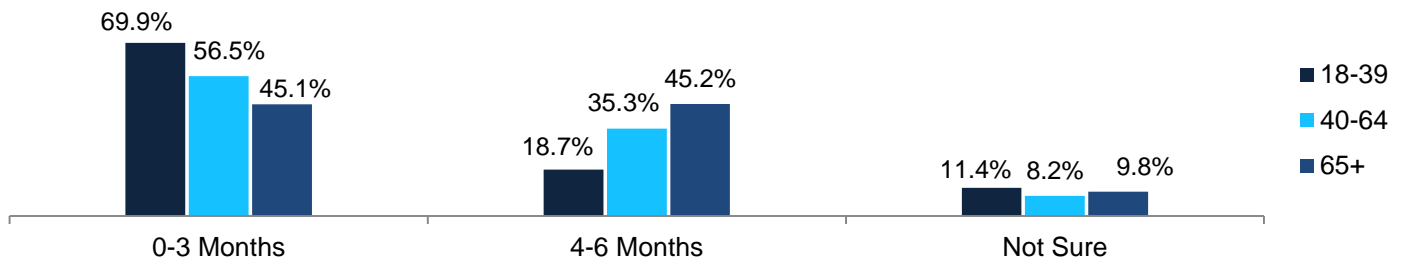
The **CSG Retail Spending Index** decreased 0.5 points. Reports of expected spending for next month slightly decreased in every category except for discretionary personal entertainment expenses, 13.7% in May vs. 14.9% in June. The category with the largest percentage of expected spending was household improvements with 22.9%. In each category of spending 18-39 year olds had the highest percentage of the age groups that reported they would spend more. The area of spending with the highest percentage expecting to spend more was on clothing, footwear, or accessories with 28.7%; this is compared to only 10.8% of 40-64 year olds and 6.3% of those 65 and older that reported the same.

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



While the 18-39 age group has the highest percentage that reports expecting to spend more, they also have the highest percentage where if they lost their income, they could only continue their current lifestyle for 0-3 months; 69.9% of 18-39 year olds compared to 56.5% of 40-64 year olds, and 45.1% of those 65 and older. Almost half of adults surveyed reported that they spent about the same this month compared to last. Adults surveyed with children had the highest percentage that said they spent more this month compared to last (40.8% vs. 28.9%). It is expected that the spending index will remain about the same next month as 28.2% say they will spend more and 51.3% say they will spend about the same.

### Suppose you lost your income suddenly. How many months would you be able to continue living your current lifestyle before replacing your income?



#### **L Brands' Half Century Man**

Although you may not be familiar with the company L Brands, you are certainly familiar with its brands: Victoria's Secret, Pink, La Senza, Bath & Body Works, and Henri Bendel. FORTUNE magazine recently published an article highlighting the company's CEO and his long tenure in the apparel specialty industry.

L Brands Chairman and CEO, Leslie Wexner, has been in charge for more than 52 years making him the longest-serving CEO at a Fortune 500 company. A fact that is especially surprising to see in the ever-changing apparel industry. Mr. Wexner has a long history of retail leadership. He launched new brands and acquired promising concepts. He is also known for his good business decisions and innovative thinking.

FORTUNE magazine stated "Not only is he the longest serving executive in the Fortune 500, but during his tenure his company has seen nearly unparalleled success." Mr. Wexner first entered retail in 1963 with a store with limited inventory. He called it The Limited. Soon discovering that specialty stores appealed to female shoppers, Mr. Wexner started to expand his business portfolio through both invention and acquisition. In the 1980's, under the leadership of Mr. Wexner the company began to strategically acquire retail stores. Then in the late 1990's the company began to strategically let them go. Previous brands that were spun off include Abercrombie & Fitch, Express, Lane Bryant, and The Limited.

-Natasha Perry ([nperry@chainstoreguide.com](mailto: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](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).

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