

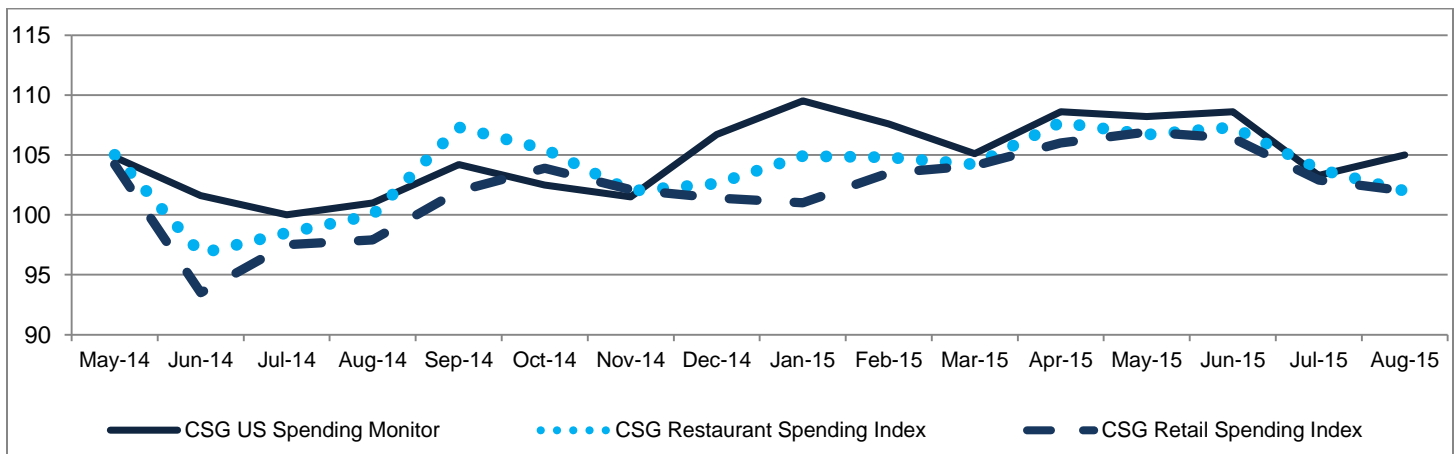


Consumer Spending Report (CSR)

September 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 US Spending Index** increased 1.7 points. Adults surveyed this month had a slightly more optimistic outlook on the US economy with 28.7% rating it as excellent or good and 30.3% saying it is getting better. This is only slightly better than last month when 27.8% rated the economy as excellent or good and 28.6% said it is getting better. Democrats had a much higher percentage compared to Republicans that believe the economy is excellent or good and is getting better. Almost 40% of adults this month rated their personal finances as excellent or good and 29.3% believe it is getting better. In previous months, adults in the age range of 40-64 are typically the most pessimistic in their opinions on the economy and their personal finances. This month, this age group actually had the largest percentage that believe their finances are excellent, and the second highest that believes they are getting better.

The **CSG Restaurant Spending Index** decreased 1.8 points. One cause for the continuous decline could be from an increase in political debates happening around the dinner table causing many consumers to lose their appetites. Of those that answered as Democrat consumers, 43.9% of them rarely or never go out to a restaurant for dinner compared to 48% of consumers listed as Republican, and 45.7% of those listed as Other. For the consumers that go out for dinner 3+ times a week, Republican voters and those recorded as Other surveyed at 4.8% and 4.6%, respectively. Of those that surveyed as Democrat, 13.2% stated that they considered dining out to be a hassle compared to 11.9% of those surveyed as Republican and 11.2% as Other.

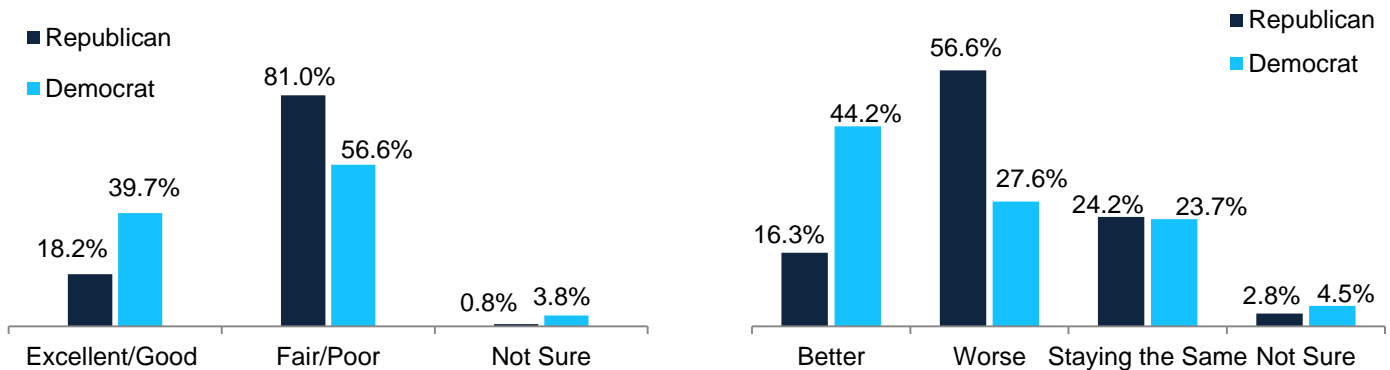
The **CSG Retail Spending Index** decreased 0.9 points. While back to school season has come and gone and adults have a more confident outlook on their personal finances, it seems as though they are either saving more of their money or spending about the same. This month, the percentage of adults that expected to spend on household expenses showed a decrease with only 10.1% saying they will spend more. As evident by the index, adults reported similar spending as last month, with 31.8% saying they spent more, 15.9% saying they spent less, 51.2% saying they spent the same, and 1.1% weren't sure. It is expected that spending next month will be about the same as only 27.4% say they expect to spend more, 16.1% expect to spend less, 54% expect to spend the same, and 2.6% aren't sure.



US Economy and Americans' Spending

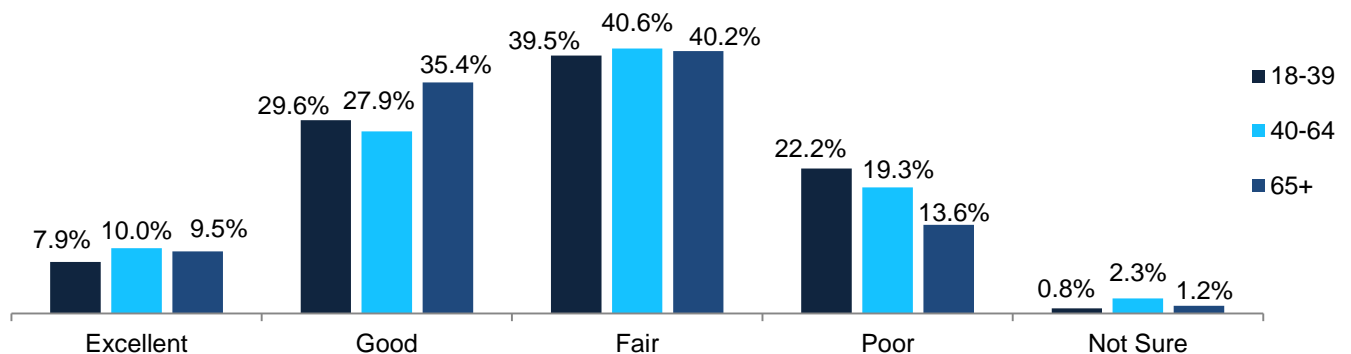
The **CSG US Spending Monitor** increased 1.7 points. Adults surveyed this month had a slightly more optimistic outlook on the US economy with 28.7% rating it as excellent or good and 30.3% saying it is getting better. This is only slightly better than last month when 27.8% rated the economy as excellent or good and 28.6% said it is getting better. There was a larger percentage of Democrats compared to Republicans that believe the economy is excellent or good and is getting better; 39.7% of Democrats and 28.2% of Republicans believe the economy is excellent or good, and 44.2% of Democrats and 16.3% of Republicans believe it is getting better. Those working in the Private Sector had a much higher percentage compared to any other profession that believe the economy as excellent or good with 31.3%; this is followed by 29.9% of those retired, 28.6% that work in the government, 27.7% of Entrepreneurs, and 23.2% of those that listed their profession as 'other'.

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



Almost 40% of adults this month rated their personal finances as excellent or good and 29.3% believe it is getting better. In previous months, adults in the age range of 40-64 are typically the most pessimistic in their opinions on the economy and their personal finances. This month, this age group actually had the largest percentage that believe their finances are excellent, and the second highest that believes they are getting better. As with their opinions on the economy, there was a larger percentage of Democrats than Republicans that rated their finances as excellent and believe it is getting better; 11.4% of Democrats rated their finances as excellent and 35.8% say it is getting better. This is compared to 7.0% of Republicans that rate their finances as excellent, and 23.3% that say it is getting better.

How would you rate your own personal finances these days?

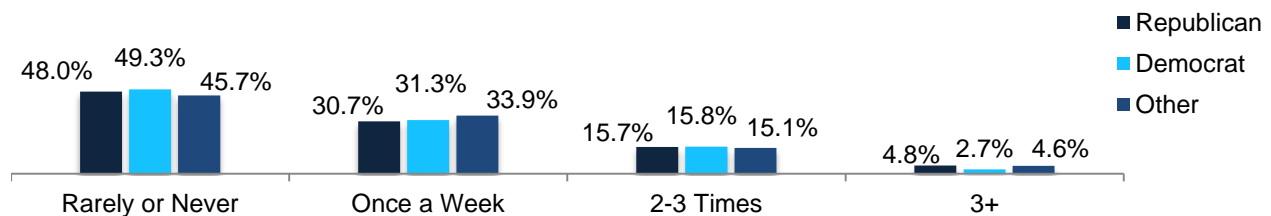




Restaurant Consumer Insights

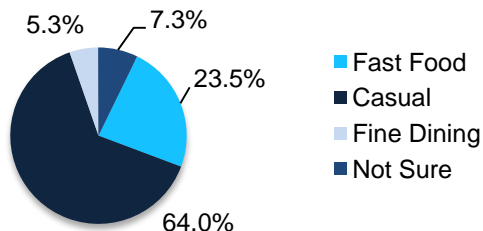
The **CSG Restaurant Spending Index** decreased 1.8 points between July and August. Although, political conversations should be avoided at the dinner table, today's political world might be causing some consumers to lose their appetites. Of those that answered as Democrat consumers, 43.9% of them rarely or never go out to a restaurant for dinner, compared to 48% of consumers listed as Republican, and 45.7% of those listed as Other. For the consumers that go out for dinner 3+ times a week, Republican voters and those recorded as Other surveyed at 4.8% and 4.6%, respectively. In the categories of dining out once a week and 2-3 times a week, all three political parties surveyed relatively the same.

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

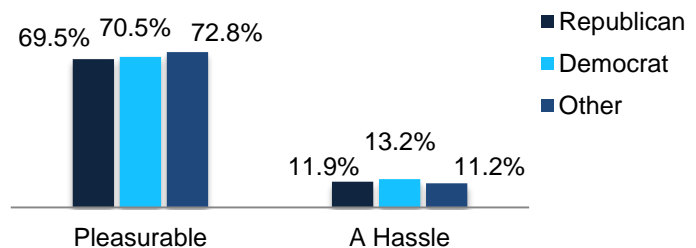


When asked what type of restaurant adult consumers frequented the majority of the time, casual dining continues to top the category with 64% followed by fast food at 23.5%, fine dining at 5.3%, and 7.3% were not sure. Overall, all three political parties considered dining out to be a pleasurable experience with 72.8% of adults surveyed as Other, 70.5% of adults surveyed as Democrat, and 69.5% of adults surveyed as Republican. Of those that surveyed as Democrat, 13.2% stated that they considered dining out to be a hassle compared to 11.9% of those surveyed as Republican and 11.2% as Other.

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



Do you consider going out to a restaurant to eat a pleasurable experience or a hassle?



Fight-or-Flight for \$15

"Over the past few years, protests have been held by fast food/limited service restaurant employees fighting for the rights to not only earn a minimum wage, which the current federal wage is \$7.25 an hour, but to earn what they consider a "living wage." This is known as the "Fight for \$15" or "Fast Food Forward" campaign. By definition, a living wage is a wage that is high enough to maintain a normal standard of living.

On August 7th, Nation's Restaurant News (NRN) released an article encouraging its readers to "tell New York's labor commissioner to reject a \$15 minimum wage for fast-food-employers." The article continues to state that the Save New York Restaurants coalition, which includes the NRA and NYSRA, is urging all restaurant operators to speak up about the "pressure a \$15 minimum wage will put on their businesses and the unfairness of targeting a single industry."

The rumor mill stated, in a recent Inquisitr.com article, that McDonald's "is countering the mandating of a \$15 minimum wage" increase by "flirting with the idea of automatic cashier machines, similar to the automatic check-out machines found in some grocery and retail stores such as Walmart." Making a point that no one can disagree with, the article continues to state that "a machine will never ask for an increase to a living wage – or any wage, for that matter." Although the rumors have not been verified as true, it's hard to not think this could be a possibility in the future."

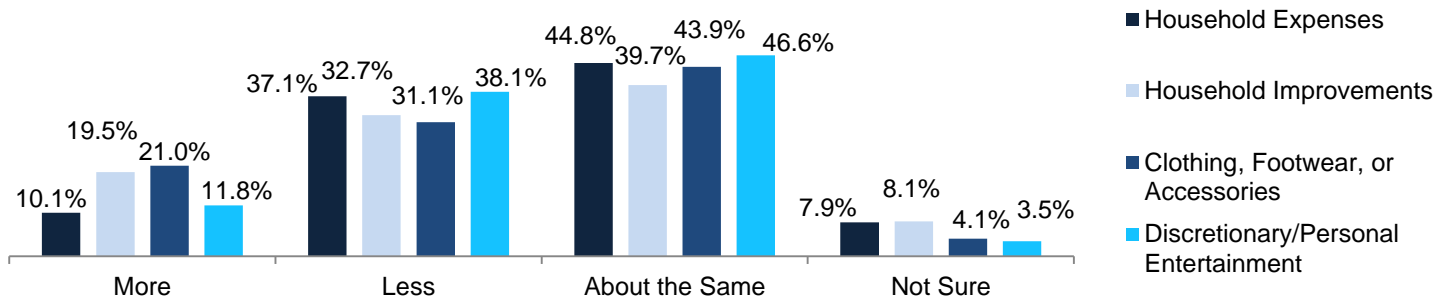
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Retail Consumer Insights

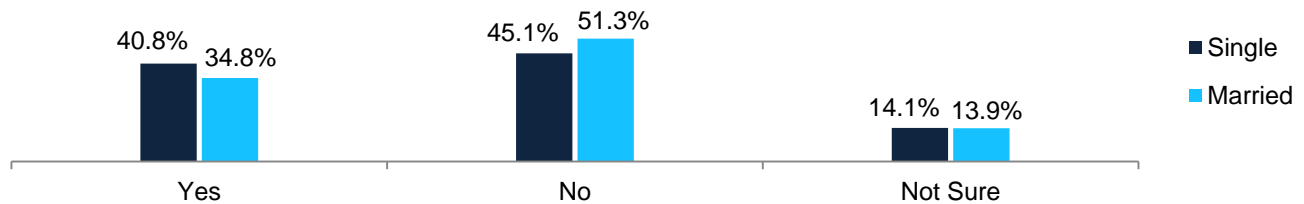
The **CSG Retail Spending Index** decreased 0.9 points. While back to school season has come and gone and adults have a more confident outlook on their personal finances, it seems as though they are either saving more of their money or spending about the same. This month the percentage of adults that expected to spend on household expenses showed a decrease with only 10.1% saying they will spend more. The area with the largest percentage of adults that expect to spend was on clothing, footwear, or accessories. This could be a continuation of back-to-school shopping, summer sales, and preparation for colder weather. As usual, discretionary/personal entertainment spending had the lowest percentage of adults that expect to spend more next month.

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



As evident by the index, adults reported similar spending as last month, with 31.8% saying they spent more, 15.9% saying they spent less, 51.2% saying they spent the same, and 1.1% weren't sure. It is expected that spending next month will be about the same as only 27.4% say they expect to spend more, 16.1% expect to spend less, 54% expect to spend the same, and 2.6% aren't sure. A greater percentage of adults that are single versus those that are married report that they expect added expenses or a shortfall in income in the next 30 days; 40.8% vs. 34.8%.

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?



Apparel, Accessories, and Athletes

A new *Apricot Lane Boutique* recently opened at Westshore Plaza in Tampa, FL. *Apricot Lane Boutiques* offer women's apparel, shoes, handbags, and accessories in limited quantities. The fashion merchandise caters to teens through women in their fifties at an affordable price. Each store is an independently owned and operated franchise that offers unique products and captures the look and vibe of its local area.

The new franchised location just happens to be co-owned by a WNBA champion. Candice and Crystal Dupree are sisters and co-owners of *Apricot Lane Boutique Tampa*. Crystal, a long-time resident of the area, brings over fourteen years of extensive retail experience to the partnership. Candice, playing in her ninth season in the WNBA and member of the 2014 championship winning Phoenix Mercury, will assist with business operations and in store management in her off season.

Apricot Lane prides itself on featuring a limited number of each item in stock. The boutiques are unique in that each owner has the ability to buy products that best fit their customers' needs and styles specific to geographic areas. Guests are guaranteed a unique shopping experience in every *Apricot Lane Boutique* they enter. Since merchandise is not offered online, the store owners use Twitter and Facebook to update loyal customers on trendy new arrivals.

Founded in 2007, *Apricot Lane* currently operates 75 boutiques at malls in 28 states across the country. *Apricot Lane* plans for 4 more in the near future in Georgia, South Carolina, and Wisconsin. With back to school season quickly approaching, the new boutiques have the potential to do very well.

-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.

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