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## **2014 WINTER REPORT ON NEW JERSEY CONSUMER CONFIDENCE**

### **THE STATUS QUO: CONSUMER CONFIDENCE REMAINS UNEASY**

The most recent statewide survey from Fairleigh Dickinson University's PublicMind finds Garden State residents begin 2014 with financial outlooks that are similar to those expressed in 2013. A plurality (48%) believe the coming year is likely to bring with it personal finances that will remain unchanged from where they are today, with a third (30%) who anticipate improvement and around a fifth (17%) who think their finances will worsen. A year ago, 42 percent expected stasis, 34 percent expected things to improve, and 20 percent expressed pessimism.

The same finding applies to Garden Staters' retrospective evaluations of their personal finances. A year ago, a fifth (18%) said things had gotten better for them in the previous year and that number today comes in at 15 percent. Half (52%) said 2012 had brought with it little change, while 58 percent say the same about 2013. And a third (30%) said 2012 brought with it worsened finances, with 27 percent saying the same about 2013.

"We've certainly seen stronger numbers in both prospective and retrospective evaluations of one's personal finances," said Krista Jenkins, director of PublicMind and professor of political science at FDU. "On the one hand, things don't seem to be worsening. But at the same time, the long-awaited economic recovery still seems slow to arrive in New Jersey."

Unemployment in the state (7.3%) remains high relative to the national average (6.6%), and this is borne out in the experiences of survey respondents. Almost half (48%) say they or someone they know – a close friend or relative – lost a job in the past year. The youngest cohort are the most likely to have direct or indirect experiences with recent unemployment (62% among those 18-29, versus 50% or less for older cohorts).

Despite the "glass half empty" economic outlook, there are signs in the data that point to a more hopeful landscape. Respondents were asked what they did over the past year in regard to major purchases, vacations, and other large ticket expenditures. With the exception of travel and

credit card expenditures, respondents engaged in more spending than they anticipated doing a year ago. A year ago 16 percent said they planned to purchase or lease a new car in the coming year. When respondents were asked if they HAD purchased or leased a car in the past year, a full quarter (25%) reported doing so, a difference of nine percentage points in the positive direction. Sizable more (31%) also bought a computer in the past year than respondents anticipated doing so. It's also notable that over half say credit card payments do not represent a sizable challenge to their bottom line (53%).

“Another way of looking at how people are feeling about their personal finances is through their behavior over the past year. Although not all of the indicators are positive, there is some evidence to suggest the past year allowed for more discretionary spending than anticipated,” said Jenkins. “Travel, however, seemed to be thrown overboard more quickly than other, more tangible items.”

As for how the outlook for discretionary spending in the coming year stacks up against what people said a year ago, there's little change. Across the board, from car purchases to buying or refinancing houses, there's little movement in anticipated expenditures from 2013 to 2014.

Meanwhile, the composite Index of New Jersey Consumer Intentions -- what New Jersey consumers think they will do in the way of purchasing and investing -- is 38, a number that is virtually identical to January 2013 (39). The index can range from 0 to 100. The composite Index of New Jersey Performance -- what consumers actually did in the past year -- is 35, virtually unchanged from a year ago (34). Typically, in stable times the difference between the two measures is between one and five points. During bad times, such as 2009 and 2010, the difference is more than 10, indicating that consumer intentions were quite inconsistent with their actual spending patterns over the past year. Currently, the difference is within the five point range, which suggests that consumers are in a good position to predict their spending in the months ahead.

Regarding the housing market, Garden State residents are decidedly more optimistic about housing prices for the first time in years. Although there was no increase in the number of respondents who anticipate housing to increase in the coming year, there was a significant drop off in the number who believe the market will continue to tank in their area. A year ago, more than a third (38%) said 2013 would likely bring with it a reduction in home values in their area. Today, that number is down to five percent, a more than six-fold decrease from what it was in

2013, and the first time since 2004 those who believe housing prices will decrease is in the single digits.

“Before any major recovery can occur, stabilization is key. These numbers suggest that at least in public perception, the housing market appears to be turning the tide on its seemingly persistent march to depressed values,” said Jenkins.

And finally, opinion is divided over the health of the business community in the state, both retrospectively and prospectively. Although a plurality (38%) believe the environment for business has worsened over the past year, about a quarter believe the conditions improved (28%) or stayed the same (26%) in 2013. A plurality (42%) believe stability will define 2014, with more who believe it will improve (32%) than worsen (19%) in 2014. However, it’s notable that pessimism about the year ahead continues its downward trend. A year ago, in 2013, 39 percent said they thought the year ahead would bring an improvement for business and industry in the state, a number that was down considerably from where it was a year prior, in 2012 (54 percent).

“The full impact of the Affordable Care Act is not yet known, so perhaps the changing nature of healthcare is affecting residents’ attitudes toward business in the state,” said Jenkins.

The Fairleigh Dickinson University poll of 676 registered and unregistered voters statewide was conducted by telephone using both landlines and cell phones from January 2 through January 10, 2013, and has a margin of error of +/-3.8 percentage points.

*Methodology, questions, and tables on the web at: <http://publicmind.fdu.edu>  
Radio actualities at 201.692.2846 For more information, please call 201.692.7032*

**Methodology**

The most recent consumer survey by Fairleigh Dickinson University’s PublicMind was conducted by telephone from January 20 through January 26, 2014, using a randomly selected sample of 676 registered and unregistered voters in New Jersey. One can be 95 percent confident that the error attributable to sampling has a range of +/- 3.8 percentage points. The margin of error for subgroups is larger and varies by the size of that subgroup. Survey results are also subject to non-sampling error. This kind of error, which cannot be measured, arises from a number of factors including, but not limited to, non-response (eligible individuals refusing to be interviewed), question wording, the order in which questions are asked, and variations among interviewers.

PublicMind interviews are conducted by Opinion America of Cedar Knolls, NJ, with professionally trained interviewers using a CATI (Computer Assisted Telephone Interviewing) system. Random selection is achieved by computerized random-digit dialing. This technique gives every person with a landline phone number (including those with unlisted numbers) an equal chance of being selected.

Landline households are supplemented with a separate, randomly selected sample of cell-phone respondents interviewed in the same time frame. The total combined sample is mathematically weighted to match known demographics of age, race and gender.

**Table 1A: Personal finances in the year ahead**

<i>Now looking ahead--do you think <u>that a year from now</u> you (and your family living there) will <u>be better off financially or worse off?</u></i>												
	All	Employment			Age				Housing		Race	
		Emp	Not empl	Ret	18-29	30-44	45-59	60+	Own	Rent	White	Nonwhite
Better	<b>30%</b>	32	39	15	46	34	33	16	24	42	24	44
Same	<b>48%</b>	46	39	59	39	43	45	58	52	35	51	40
Worse	<b>17%</b>	18	13	16	12	16	16	19	17	16	20	10
Unsure	<b>6%</b>	4	8	9	2	6	6	7	6	6	5	6

**Table 1B: Personal finances in the year ahead – trend**

*Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially or worse off??*

	Better	Same	Worse	Unsure
<b>Current</b>	<b>30%</b>	<b>48%</b>	<b>17%</b>	<b>6%</b>
2013(June)	51%	19%	20%	10%
2013 (Jan)	34%	42%	20%	4%
2012 (Aug)	38%	19%	26%	17%
2012 (Jan)	47%	18%	19%	15%
2011 (Oct)	38%	19%	30%	12%
2011 (Apr.)	40%	16%	30%	14%
2011 (Jan.)	46%	14%	27%	13%
2010 (Oct.)	41%	17%	29%	13%
2010 (April)	43%	16%	29%	12%
2010 (Jan)	48%	14%	23%	14%
2009 (Oct)	46%	15%	25%	15%
2009 (Jul)	45%	14%	32%	10%
2009 (Apr)	44%	14%	28%	14%
2009 (Jan)	46%	16%	25%	13%
2008 (Oct)	37%	16%	29%	18%
2008 (Jul)	34%	14%	36%	16%
2008 (Mar)	40%	15%	35%	10%
2008 (Jan)	37%	19%	33%	12%
2007	42%	22%	27%	10%
2006	42%	18%	30%	11%
2005	52%	17%	19%	12%
2004	55%	19%	15%	11%

**Table 2A: Personal finances in past year**

*We are interested in how people in New Jersey are getting along financially at the present time. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?*

	All	Employment			Age				Housing		Race	
		Emp	Not empl	Ret	18-29	30-44	45-59	60+	Own	Rent	White	Nonwhite
Better	<b>15%</b>	19	10	9	30	17	14	11	14	20	13	21
Same	<b>58%</b>	57	51	65	56	51	58	63	61	49	58	56
Worse	<b>27%</b>	24	40	26	14	30	29	26	25	30	28	23
Unsure	<b>0%</b>	0	0	1	0	1	0	0	0	1	0	0

**Table 2B: Personal finances - trend**

<i>Would you say you and your family living there are better off or worse off financially than you were a year ago?</i>				
	Better	Same	Worse	Unsure
<b>Current</b>	<b>15%</b>	<b>58%</b>	<b>27%</b>	<b>0</b>
2013 (June)	37%	31%	31%	0
2013 (Jan)	18%	52%	30%	0
2012 (Aug)	26%	30%	43%	1%
2012 (Jan)	32%	27%	41%	1%
2011 (Oct)	23%	26%	51%	0%
2011 (Apr)	26%	27%	45%	1%
2011 (Jan.)	25%	26%	48%	1%
2010 (Oct.)	21%	21%	56%	1%
2010 (April)	21%	32%	46%	1%
2010 (Jan)	18%	28%	54%	1%
2009 (Oct)	14%	30%	53%	2%
2009 (Jul)	15%	24%	59%	1%
2009 (Apr)	17%	23%	60%	0%
2009 (Jan)	13%	28%	58%	1%
2008 (Oct)	13%	27%	58%	2%
2008 (Jun)	20%	23%	54%	3%
2008 (Mar)	25%	23%	49%	2%
2008 (Jan)	27%	30%	41%	2%
2007	30%	34%	35%	1%
2006	35%	30%	35%	1%
2005	37%	31%	31%	2%
2004	36%	32%	30%	2%

**Table 3: Unemployment**

<i>And what about your personal experience...have you or any one of your relatives or friends lost a job in the past year?</i>												
	All	Employment			Age				Housing		Race	
		Emp	Not empl	Ret	18-29	30-44	45-59	60+	Own	Rent	White	Nonwhite
Yes	<b>48%</b>	48	67	34	62	50	53	37	48	52	46	54
No	<b>51%</b>	52	33	65	38	50	47	63	52	48	54	46
DK/Ref	<b>0%</b>	0	0	1	0	0	0	0	0	0	0	0

**Table 4: Consumer performance and intentions**

<b>In the past year (2013) did you...?</b>			
	<b>2013 Actual</b>	<b>2013 Intent</b>	<b>Change</b>
Buy or lease a car	<b>25%</b>	<b>16%</b>	<b>+9</b>
Purchase stocks or other types of investments outside your pension plan	<b>24%</b>	<b>23%</b>	<b>+1</b>
Buy a major home appliance	<b>32%</b>	<b>24%</b>	<b>+8</b>
Make a major home improvement or repair over \$1000	<b>39%</b>	<b>35%</b>	<b>+4</b>
Purchase an airline ticket for a pleasure trip	<b>35%</b>	<b>42%</b>	<b>-7</b>
Go away on vacation for a week or more	<b>46%</b>	<b>59%</b>	<b>-13</b>
Buy a computer	<b>31%</b>	<b>16%</b>	<b>+15</b>
Let the unpaid balance on your credit card increase	<b>22%</b>	<b>6%</b>	<b>+18</b>
Refinance your house or take a home equity loan	<b>8%</b>	<b>8%</b>	<b>0</b>
Buy or build a house	<b>6%</b>	<b>5%</b>	<b>+1</b>

**Table 5: Consumer performance and intentions**

In the next 12 months, do you expect to...			
	2014 Intent	2013 Intent	Change
Buy or lease a car	16%	16%	0
Purchase stocks or other types of investments outside your pension plan	25%	23%	+2
Buy a major home appliance	19%	24%	-5
Make a major home improvement or repair over \$1000	32%	35%	-3
Purchase an airline ticket for a pleasure trip	43%	42%	+1
Go away on vacation for a week or more	54%	59%	-4
Buy a computer	17%	16%	+1
Let the unpaid balance on your credit card increase	5%	6%	-1
Refinance your house or take a home equity loan	5%	8%	-3
Buy or build a house	6%	5%	+1

**Table 6: Credit card balances**

Now thinking about the outstanding balance on your credit cards—how difficult is it to make payments on the balances? Would you say it is...												
	All	Employment			Age				Housing		Race	
		Emp	Not empl	Ret	18-29	30-44	45-59	60+	Own	Rent	White	Nonwhite
Very difficult	10%	8	20	5	15	12	11	4	7	15	9	11
Somewhat difficult	16%	18	17	10	19	19	14	15	16	17	16	16
Not very difficult	18%	20	16	12	16	22	19	14	21	12	18	18
Not at all difficult	35%	35	25	43	26	25	37	46	37	29	38	27
Don't have or use	20%	17	21	27	21	22	18	19	17	26	17	28
DK/Ref (vol)	1%	1	1	3	2	1	1	2	1	0	1	0

**Table 7: Composite Number of Past and Intended Consumer Activity (Scale of 0 – 100)\***

Composite Number	All	Gender		Age			
		Male	Female	18-29	30-44	45-59	60+
2014 Consumer Intentions	<b>38</b>	39	36	40	38	39	35
2014 Consumer Performance	<b>35</b>	37	33	36	35	36	35
2013 Consumer Intentions	<b>39</b>	43	35	40	40	40	37
2013 Consumer Performance	<b>34</b>	37	31	31	35	35	34
2012 Consumer Intentions	<b>41</b>	44	38	41	43	41	39
2012 Consumer Performance	<b>35</b>	40	30	36	37	34	32
2011 Consumer Intentions	<b>39</b>	41	37	41	40	39	36
2011 Consumer Performance	<b>31</b>	35	27	30	31	33	29
2010 Consumer Intentions	<b>42</b>	43	40	44	45	42	38
2010 Consumer Performance	<b>28</b>	29	27	26	31	27	26
2009 Consumer Intentions	<b>39</b>	40	37	45	42	36	36
2009 Consumer Performance	<b>24</b>	26	23	24	29	22	23
2008 Consumer Intentions	<b>37</b>	40	34	43	38	36	34
2008 Consumer Performance	<b>34</b>	38	31	39	37	34	32
2007 Consumer Intentions	<b>40</b>	42	39	48	45	39	37
2007 Consumer Performance	<b>38</b>	39	36	37	43	36	36
2006 Consumer Intentions	<b>41</b>	43	40	48	45	40	35
2006 Consumer Performance	<b>40</b>	43	39	43	44	42	34
2005 Consumer Intentions	<b>45</b>	48	43	50	48	43	41
2005 Consumer Performance	<b>43</b>	47	41	44	47	42	38
2004 Consumer Intentions	<b>42</b>	44	40	52	49	45	40
2004 Consumer Performance	<b>41</b>	44	39	42	43	42	35
2003 Consumer Intentions	<b>42</b>						
2003 Consumer Performance	<b>33</b>						

**Table 8a: Housing price direction**

*During the next 12 months, do you think that housing prices in your area will go up or down?*

	All	Employment			Age				Housing		Race	
		Emp	Not empl	Ret	18-29	30-44	45-59	60+	Own	Rent	White	Nonwhite
Up	<b>48%</b>	50	43	47	54	49	48	47	49	50	48	52
Down	<b>5%</b>	6	6	5	6	7	4	6	3	8	4	7
Stay the same	<b>40%</b>	41	41	37	38	42	42	38	42	36	42	36
DK/Ref (vol)	<b>6%</b>	3	10	11	2	3	6	9	6	6	6	6

**Table 8b: Trend, direction of housing prices (January measures)**

	Current	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Up	<b>48%</b>	48	46	49	56	28	38	46	55	81	80
Down	<b>5%</b>	38	30	30	26	14	47	38	28	10	6
Same	<b>40%</b>	9	13	13	11	50	9	12	12	4	11
Unsure	<b>6%</b>	4	11	8	7	8	6	4	5	5	4



**Table 9A: Business conditions compared to a year ago**

*Would you say that at the present time business conditions in New Jersey are better or worse than they were a year ago?*

	All	Employment			Age				Housing		Race	
		Emp	Not empl	Ret	18-29	30-44	45-59	60+	Own	Rent	White	Nonwhite
Better	<b>28%</b>	29	18	18	35	28	24	28	30	23	29	25
Same	<b>26%</b>	26	29	29	21	27	27	26	27	22	27	23
Worse	<b>38%</b>	38	48	48	38	35	44	33	35	46	37	41
Unsure	<b>9%</b>	7	6	6	5	10	5	13	9	8	8	11

**Table 9B: Present business conditions - trend**

*Would you say that at the present time business conditions in New Jersey are better or worse than they were a year ago? [January measures]*

	Better	Same	Worse	Unsure
<b>Current</b>	<b>28%</b>	<b>26%</b>	<b>38%</b>	<b>9%</b>
2013	29%	21%	41%	10%
2012	30%	12%	46%	12%
2011	25%	9%	56%	10%
2010	13%	7%	71%	9%
2009	3%	5%	88%	3%
2008	18%	12%	56%	14%
2007	24%	19%	41%	16%
2006	33%	15%	37%	16%
2005	36%	15%	37%	12%
2004	33%	14%	43%	11%
2003	15%	10%	68%	7%

**Table 10a: Business conditions in the year ahead**

*And how about a year from now—do you expect during the next 12 months business conditions in New Jersey will be better or worse than they are at present?*

	All	Employment			Age				Housing		Race	
		Emp	Not empl	Ret	18-29	30-44	45-59	60+	Own	Rent	White	Nonwhite
Better	<b>32%</b>	32	28	33	39	30	32	29	33	26	30	36
Same	<b>42%</b>	44	39	41	38	45	44	42	44	42	44	40
Worse	<b>19%</b>	21	22	13	21	20	21	16	17	25	19	19
Unsure	<b>7%</b>	4	11	13	2	6	4	12	7	7	7	5

**Table 10B: Business conditions in the year ahead - trend**

*And how about a year from now—do you expect during the next 12 months business conditions in New Jersey will be better or worse than they are at present? [January measures]*

	Better	Same	Worse	Unsure
<b>Current</b>	<b>32%</b>	<b>42%</b>	<b>19%</b>	<b>7%</b>
2013	39%	36%	17%	8%
2012	54%	10%	21%	15%
2011	54%	8%	26%	12%
2010	58%	8%	22%	13%
2009	42%	11%	37%	9%
2008	28%	15%	42%	16%
2007	37%	17%	30%	16%
2006	43%	13%	27%	17%
2005	52%	11%	21%	16%
2004	56%	10%	21%	13%
2003	43%	11%	34%	12%

**Exact Question Wording**

US1 and US2 released January 29, 2014

NJ1 released January 28, 2014

NJ2 released January 29, 2014

NJ3 through NJ5 released January 28, 2014

NJ6 and NJ7 released January 29, 2014

VICE1 through VICE5 released February 3, 2014

CC0 *Do you play an important role in your household's financial decisions?*

- 1 Yes
- 2 No [Thank and skip to demos]
- 8 DK/refused

CC1 *We are interested in how people in New Jersey are getting along financially at the present time. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago, or are you about the same?*

- 1 Better off
- 2 The same
- 3 Worse off
- 8 DK
- 9 Refused

CC2 *Now looking ahead—do you think that a year from now you (and your family living there) will be better off or worse off, financially, or about the same?*

- 1 Better off

- 2 The same
- 3 Worse off
- 8 DK
- 9 Refused

CC3 Would you say that at the present time business conditions in New Jersey are better, the same, or worse than they were a year ago?

- 1 Better
- 2 Same
- 3 Worse
- 8 DK
- 9 Refused

CC4 And how about a year from now—do you expect during the next 12 months business conditions in New Jersey will be better or worse than they are at present, or will things remain the same?

- 1 Better
- 2 The same
- 3 Worse
- 8 DK
- 9 Refused

CC5 And what about your personal experience...have you, or anyone of your relatives or close friends lost a job in the past year?

- 1 Yes
- 2 No
- 3 DK/ref

CC6 In 2013, did you...?

- 1 Yes
  - 2 No
  - 3 Unsure (VOL)  
[ROTATE LIST]
- a. buy or lease a car?
  - b. purchase stocks or other investments outside your pension plan
  - c. buy a major home appliance?
  - d. make a major home improvement or repair over \$1000?
  - e. buy an airline ticket for a pleasure trip?
  - f. go away on vacation for a week or more?
  - g. buy a computer?
  - i. let the unpaid balance on your credit card increase?
  - k. refinance your house or take a home equity loan?
  - l. buy or build a house?

CC7 In the next 12 months, do you expect to...

- 1 Yes
- 2 No
- 3 Unsure (VOL)

[ROTATE LIST—list identical to CC6]

- a. buy or lease a car?

- b. purchase stocks or other investments outside your pension plan
- c. buy a major home appliance?
- d. make a major home improvement or repair over \$1000?
- e. buy an airline ticket for a pleasure trip?
- f. go away on vacation for a week or more?
- g. buy a computer?
- i. let the unpaid balance on your credit card increase?
- k. refinance your house or take a home equity loan?
- l. buy or build a house?

*CC8 Now thinking about the outstanding balance on your credit cards--how difficult is it to make payments on the balances? Would you say it is... or do you not use credit cards?*

- 1 Very difficult
- 2 Somewhat difficult
- 3 Not very difficult
- 4 Not at all difficult
- 5 Don't use/have credit cards
- 8 DK/ref(VOL)

*CC9 During the next 12 months, do you think that housing prices in your area will go up, go down or remain the same?*

- 1 Up
- 2 Remain the same
- 3 Down
- 8 DK/ref(VOL)

**Sample characteristics**

**Gender**

Male	48
Female	52

**Age**

18-29	12
30-44	26
45-59	32
60+	28
Refused	2

**Race/Ethnicity**

White	69
Black/African-American	12
Latino or Hispanic	11
Asian	5
Other/refused	3

**Public employee household**

Yes	24
No	75
Unsure/refused	1

**Party identification**

Democrat/Lean Democrat	43
Independent/DK/refused	26
Republican/Lean Republican	31