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## 3<sup>rd</sup> Quarter Report on NJ Consumers:

### ***The economy is slow and New Jerseyans know it!***

New Jerseyans continue to be gloomy about their household finances. According to the most recent consumer survey by Fairleigh Dickinson University's Silberman College of Business, just one in five New Jerseyans (21%) report they are better off than a year ago, and one in five (21%) say there has been no change, while the majority (56%) say they and their household are worse off. Looking ahead, 41% think that they will be better off next year, down seven points from measurements in January, while 46% say their finances will not change or will worsen in the coming year. Another 13% are unsure.

"That kind of pessimism makes consumers cautious, it makes them save, and it makes for a slow growing economy," said Sorin Tuluca, professor of finance at FDU's Silberman College of Business.

Indeed, New Jersey households are not planning to open their wallets soon, with just 7% saying they'll let their credit balance increase in the coming months, and 37% saying making their card payments is somewhat or very difficult.

In addition, one in five consumers (19%) report that they have had to miss payment of their bills in the past six months. Those missed payments include mortgage, rent, home loans, credit cards and even utilities. While people under 30 years old are most likely to report missing a payment (39%), one in five between 30 and 59 years of age also report missing a payment, as well as one in ten people (9%) who are 60 and over.

"Obviously a persistently high unemployment rate is not good news for anyone, and that includes mortgage companies and banks," said Tuluca. "More foreclosures and personal bankruptcies lead to a combination of unsold houses, low income and poor credit scores, which means a stagnant economy for everyone."

On the brighter side, while 30% of those employed say they are somewhat or very worried about losing their job, that figure is down from April's high of 36%. And, 69% say they are not worried about losing their job, up six points from April.

However, two-thirds (66%) report that they have either a relative or close friend who has lost a job, unchanged from January 2010. By contrast, in January of 2008, before large cracks opened in the economy, 61% reported they did not know anyone who had lost a job.

"Even though there are now more job offers, those jobs often require different qualifications than the skills that the recently unemployed have," said Tuluca. "For them, little may change without a change in vocation and training."

The telephone survey of 675 randomly selected adults throughout New Jersey who participate in their household's financial decisions was sponsored by Fairleigh Dickinson University's Silberman College of Business and was conducted by FDU's PublicMind from Oct. 4, 2010, through Oct. 10, 2010 and has a margin of error of +/-4 percentage points.

Methodology, questions and tables are available on the Web at: <http://publicmind.fdu.edu>

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## Methodology, Questions, and Tables

The most recent poll by Fairleigh Dickinson University's PublicMind was commissioned by the Silberman College of Business and conducted by telephone from Oct. 4, 2010 through Oct. 10, 2010 using a randomly selected sample of 675 adults statewide (aged 18 and over) who report that they participate in financial decisions in their household. The sampling error for 675 randomly selected respondents is +/- 4 percentage points at the 95 percent level of confidence. 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. Interviews were conducted by professionally trained interviewers using a CATI (Computer Assisted Telephone Interviewing) system. Random selection is achieved through computerized random-digit dialing. This technique gives every person with a land line (including those with unlisted numbers) an equal chance of being selected. Results are also mathematically weighted to match known demographics.

**Table 1A: Personal finances in past year**

Question: Would you say you (and your family) are better off or worse off financially than you were a year ago?	All	Better 21%	Same 21%	Worse 56%	Unsure 1%
	Employed	25%	22%	52%	-
Not employed	15%	20%	63%	2%	
Age	18-29	41%	10%	49%	-
	30-44	22%	20%	57%	1%
	45-59	20%	21%	58%	-
	60+	13%	28%	56%	2%

**Table 1B: Personal finances, trend**

Question: Would you say you and your family living there are better off or worse off financially than you were a year ago?		Better	Same	Worse	Unsure
	<b>2010 current</b>	<b>21%</b>	<b>21%</b>	<b>56%</b>	<b>1%</b>
	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%
	<b>2009 (Jan)</b>	<b>13%</b>	<b>28%</b>	<b>58%</b>	<b>1%</b>
	2008 (Oct)	13%	27%	58%	2%
	2008 (Jun)	20%	23%	54%	3%
	2008 (Mar)	25%	23%	49%	2%
	<b>2008 (Jan)</b>	<b>27%</b>	<b>30%</b>	<b>41%</b>	<b>2%</b>
	2007	30%	34%	35%	1%
	2006	35%	30%	35%	1%
	2005	37%	31%	31%	2%
	2004	36%	32%	30%	2%
	2003	29%	31%	39%	1%

**Table 2A: Personal finances in the year ahead**

<b>Question:</b> 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?	<b>All</b>	<b>Better</b>	<b>Same</b>	<b>Worse</b>	<b>Unsure</b>
		<b>41%</b>	<b>17%</b>	<b>29%</b>	<b>13%</b>
	Employed	45%	17%	27%	10%
	Not employed	34%	17%	30%	18%
	Age				
	18-29	67%	-	24%	9%
	30-44	43%	19%	26%	12%
45-59	42%	15%	30%	12%	
60+	27%	24%	33%	15%	
White	37%	18%	32%	14%	
Non- white	53%	14%	21%	12%	

**Table 2B: Personal finances in the year ahead, trend**

<b>Question:</b> 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?		<b>Better</b>	<b>Same</b>	<b>Worse</b>	<b>Unsure</b>
	<b>current</b>	<b>41%</b>	<b>17%</b>	<b>29%</b>	<b>13%</b>
	2010 (April)	43%	16%	29%	12%
	<b>2010 (Jan)</b>	<b>48%</b>	<b>14%</b>	<b>23%</b>	<b>14%</b>
	2009 (Oct)	46%	15%	25%	15%
	2009 (Jul)	45%	14%	32%	10%
	2009 (Apr)	44%	14%	28%	14%
	<b>2009 (Jan)</b>	<b>46%</b>	<b>16%</b>	<b>25%</b>	<b>13%</b>
	2008 (Oct)	37%	16%	29%	18%
	2008 (Jul)	34%	14%	36%	16%
	2008 (Mar)	40%	15%	35%	10%
	<b>2008 (Jan)</b>	<b>37%</b>	<b>19%</b>	<b>33%</b>	<b>12%</b>
	2007	42%	22%	27%	10%
	2006	42%	18%	30%	11%
	2005	52%	17%	19%	12%
2004	55%	19%	15%	11%	
2003	48%	20%	22%	11%	

**Table 3:**

<b>Question:</b> Have you, or anyone of your relatives or close friends lost a job in the past year?		<b>Yes</b>	<b>No</b>
	<b>current</b>	<b>66%</b>	<b>33%</b>
	2010 (April)	65%	34%
	2010 (Jan)	67%	33%
	2009 (Oct)	67%	32%
	2009 (Jul)	63%	36%
	2009 (Apr)	61%	38%
	2009 (Jan)	54%	46%
	2008	38%	61%
	2007	35%	64%
	2006	32%	67%
	2005	39%	61%

**Table 4: Credit Card balance in past year**

<b>In the past year, did you let the unpaid balance on your credit card increase?</b>							
	2010			2009			
	<b>current</b>	April	Jan	Oct	Jul	Apr	Jan
Yes	<b>21%</b>	21%	24%	22%	21%	23%	24%
No	<b>68%</b>	71%	75%	70%	73%	68%	74%
Unsure	<b>1%</b>	1%	1%	1%	1%	1%	1%
No card [skip to 6]	<b>9%</b>	7%	---	7%	5%	8%	1%

**Table 5: Credit Card balance in coming year**

In the next 12 months, do you expect to let the unpaid balance on your credit card increase?							
	Current	Previous measures					
		April '10	Jan '10	Oct '09	Jul '09	Apr '09	Jan '09
Yes	7%	8	6	7	8	9	7
No	88%	86	92	86	86	87	89
Unsure	4%	3	2	4	3	3	2
Ref.	1%	2	1	2	3	1	1

**Table 6A: difficulty of credit card payments**

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...?									
N=602	All	Age				Gender		Employed	
		18-29	30-44	45-59	60+	men	Women	yes	No
Very difficult	12%	24	12	13	8	13	12	10	17
Somewhat difficult	25%	19	28	29	20	26	24	30	17
Not very difficult	18%	25	16	18	17	18	18	19	17
Not at all difficult	35%	25	33	31	44	36	34	34	36
Don't use/don't carry	7%	7	10	7	6	5	9	6	9
Unsure/ref.	3%	-	1	2	5	3	3	2	3

**Table 6B: trend, difficulty of credit card payments**

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...?									
N=602	2010 Current	2010	2009	2008	2007	2006	2005	2004	2003
		Jan	Jan						
Very difficult	12%	12	8	7	5	7	6	9	8
Somewhat difficult	25%	21	23	18	20	18	19	16	16
Not very difficult	18%	17	17	20	20	17	19	17	22
Not at all difficult	35%	36	36	39	40	42	40	39	36
Don't use/carry	7%	11	13	14	12	13	14	18	18
Unsure/ref.	3%	3	1	3	3	3	2	2	--

**Table 7: Job security**

[If employed, ask...] How worried are you that you might lose your job in the next 12 months...?													
N=412 MoE=+/-5	All	Age				Apr	Jan	Oct	Jul	Apr	Jan	Oct	Jun
		18-29	30-44	45-59	60+	10	10	09	09	09	09	08	08
Very worried	11%	10%	12%	11%	8%	12	10	10	13	14	10	12	7
Somewhat worried	19%	15%	16%	21%	19%	24	23	22	19	24	24	18	17
Not very worried	28%	28%	33%	28%	22%	24	22	18	26	25	23	18	21
Not at all worried	41%	47%	37%	40%	50%	39	44	49	41	36	43	52	53
Not sure	1%	-	3%	-	1%	1	1	1	1	1	1	1	2

**Table 8a:**

In the past six months, have you had to miss payment on any of your bills?					
	All	18-29	30-44	45-59	60+
Yes	19%	39%	22%	18%	9%
No	79%	57%	77%	80%	88%
Don't Know	1%	-	1%	-	1%
Ref.	2%	4%	1%	1%	2%

**Table 8b:**

What bills did you have to miss? (DO NOT READ, MARK ALL THAT APPLY)					
N=126	All	18-29	30-44	45-59	60+
Mortgage/Rent/home loan	<b>25%</b>	35	23	23	20
Utilities (Gas/Electric)	<b>33%</b>	23	39	41	26
Credit Card	<b>28%</b>	23	27	34	20
Doctor/hospital/clinic/dentist/pharmacy	<b>6%</b>	8	-	7	12
Insurance (Health)	<b>2%</b>	-	-	4	7
Insurance (Other)	<b>6%</b>	12	7	3	-
Car	<b>8%</b>	12	-	13	4
Taxes	<b>2%</b>	-	-	4	3
Other (Specify)	<b>17%</b>	48	7	4	13
Refused	<b>9%</b>	-	16	8	15

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**NJ CONSUMER CONFIDENCE SERIES**

**Exact question wording and order.**

CC1. We are also 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?

Better  
Same [don't read]  
Worse  
DK/ref

CC2. 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 [don't read]  
Worse  
DK/ref

CC3. And what about your personal experience...have you, or anyone of your relatives or close friends lost a job in the past year? [IF YES: ASK: IS THAT YOU OR SOMEONE ELSE?]

Yes, respondent  
Yes, someone else  
No  
DK/ref

CC4. In the past year... did you let the unpaid balance on your credit card increase?

Yes  
No  
Unsure (don't read)  
have no credit cards (VOL) [SKIP to CC7]

CC5. In the next 12 months, do you expect to... let the unpaid balance on your credit card increase?

Yes  
No  
Unsure (don't read)  
ref  
have no credit cards (don't read) [SKIP to CC7]

CC6. 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...

very difficult  
somewhat difficult  
not very difficult  
not at all difficult  
Don't use/have credit cards (don't read)  
DK/ref

CC7A. In the past six months, have you had to miss payment on any of your bills?

Yes

No –SKIP NEXT

Don't Know – SKIP NEXT

CC7B. What bills did you have to miss? (DO NOT READ, MARK ALL THAT APPLY)

Mortgage/Rent/home loan

Utilities (Gas/Electric)

Credit Card

Doctor/hospital/clinic/dentist/pharmacy

Insurance (Health)

Insurance (Other)

Car

Taxes

Other (Specify)

D4A [ASK only those employed from previous question...] How worried are you that you might lose your job in the next 12 months...READ?

Very worried

Somewhat worried

Not very worried

Not at all worried

DK (vol)