

Third-Quarter Report on New Jersey Consumer Views **Consumers' expectations are flat amid increasing unemployment**

According to the quarterly consumer survey by Fairleigh Dickinson University's Silberman College of Business, 67% of New Jerseyans have lost a job or have a friend or relative who has lost a job in the past year, a new high, up from 63% in the previous quarter. However, only 10% are "very worried" that they might lose their job, down 3 points from July. Moreover, the number of those "not at all worried" increased 8 points to 49% from the previous quarter. Worry is greatest among those aged 30-44: 37% say they are somewhat or very worried they might lose their job.

"The picture is quite mixed, depending on your station in life," said Sorin Tuluca, professor of finance at the Silberman College of Business and a specialist in financial crises. "Employment is a lagging indicator of economic recovery, not a leading one.

"We should think of the economic crises as a traffic light on red at rush hour. It takes a long time for the last cars in line to clear the intersection. In the same way it takes a long while for employment to come back to where it was," added Tuluca.

"Consumers are still holding on to their wallets," said Tuluca. New Jersey consumers have not significantly changed their expectations over the past quarter: 86% say they will not let their unpaid credit card balances increase.

However, more than a third (36%) of New Jerseyans continue to say that paying their outstanding credit card balances is somewhat or very difficult. Moreover, 45% of those making less than \$50,000 a year report that paying credit cards balances is difficult, and 1 in 5 (19%) making under \$50,000 per year say they'll let their unpaid balance increase in coming months. This contrasts with the 2% making over \$150,000 who say they'll let their credit card balances increase. In fact, 65% of those making less than \$50,000 a year say they're worse off than a year ago.

While about half (48%) continue to say they can live off their savings for more than six months if they lose their job, the percentage of those who say they can live three to five months on their savings declined 7 percentage points, while those who say they can live for less than three months off their savings rose by 6 points.

A majority (53%) of respondents still say they are worse off now than they were a year ago, but this is a decline of 6 points from the previous quarter. At the same time, 25% think they'll be worse off a year from now, down 7 percentage points from the previous measure. "If people are not more optimistic," said Tuluca, "at least we can say they are less pessimistic." He concluded, "They remain cautious, so they continue to save more and trim down expenses."

Only 28% say they feel confident that life for their children's generation will be better than it has been for them: 62% feel "not confident." This reflection of pessimism is highest among those over 60.

The telephone survey of 631 randomly selected adults throughout New Jersey who participate in their household's financial decisions was conducted from Sept. 28 through Oct. 4 and has a margin of error of +/- 4% percentage points. The poll was sponsored by Fairleigh Dickinson University's Silberman College of Business and conducted by FDU's PublicMind. Samples for some questions are smaller, as noted.

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 Sept. 28, 2009, through Oct. 4, 2009, using a randomly selected sample of 631 adults statewide (aged 18 and over) who report that they participate in financial decisions in their household. The sampling error for 631 adults is +/- 4 percentage points at the 95 percent level of confidence. Samples for some questions are smaller as noted. 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 (by race, income, age)

Question: Would you say you (and your family) are better off or worse off financially than you were a year ago?			Better	Same	Worse	Unsure
	All Oct		14%	30%	53%	2%
	White		12%	31%	55%	1%
	Non- white		24%	29%	46%	1%
	Income	0-50k	15%	19%	65%	1%
		51-100k	15%	30%	55%	1 %
		101-150k	22%	31%	47%	%
		151k+	20%	26%	54%	%
	Age	18-29	39%	30%	32%	%
		30-44	17%	28%	53%	2%
		45-59	12%	26%	62%	%
		60+	8%	35%	53%	3%

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
All 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%	2%
2005	37%	31%	31%	2%
2004	36%	32%	30%	2%
2003	29%	31%	39%	1%

Table 2A (by race, income, age)

Question: 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
	All Oct		46%	15%	25%	15%
	White		44%	16%	27%	13%
	Non- white		56%	12%	17%	15%
	Income	0-50k	49%	11%	22%	18%
		51-100k	50%	13%	27%	10%
		101-150k	53%	17%	20%	10%
		151k+	46%	18%	31%	6%
	Age	18-29	53%	6%	32%	9%
		30-44	58%	13%	20%	9%
		45-59	48%	17%	22%	13%
		60+	35%	16%	28%	20%

Table 2B: Personal finances 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
All 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%
2003	48%	20%	22%	11%

Table 3

Question: Have you, or anyone of your relatives or close friends lost a job in the past year?	All Oct	Yes	No
		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

Question: In the past year, did you let the unpaid balance on your credit card increase?								
	All Oct	Income				2009		
		0-50k	51-100k	101-150k	151k+	Jul	Apr	Jan
Yes	22%	27%	27%	25%	12%	21%	23%	24%
No	70%	57%	68%	71%	86%	73%	68%	74%
Unsure	1%	1%	1%	-	-	1%	1%	1%
No credit cards	7%	16%	4%	4%	1%	5%	8%	1%

Table 5

Question: In the next 12 months, do you expect to let the unpaid balance on your credit card increase?								
<i>N=589 MoE=+/-4</i>	All Oct	Income				2009		
		0-50k	51-100k	101-150k	151k+	Jul	Apr	Jan
Yes	7%	19%	7%	3%	2%	8%	9%	7%
No	86%	70%	90%	94%	93%	86%	87%	89%
Unsure	4%	6%	3%	3%	2%	3%	3%	2%
No credit cards	2%	5%	--	--	3%	3%	1%	1%

Table 6A

Question: 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...?									
<i>N=589 MoE=+/-4</i>		Age				Income			
	All	18-29	30-44	45-59	60+	0-50k	51-100k	101-150k	151k+
Very difficult	11%	16	14	13	6	25	13	6	5
Somewhat difficult	25%	28	35	25	18	20	34	31	18
Not very difficult	17%	29	14	17	15	13	16	26	15
Not at all difficult	38%	22	30	39	50	32	36	31	54
No longer have	5%	5	4	5	7	6	2	5	4
Unsure	4%	-	3	-	4	3	-	-	4

Table 6B: Credit difficulty trend

Question: 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...?										
<i>N=683 MoE=+/-4</i>	2009				2008	2007	2006	2005	2004	2003
	Oct	Jul	Apr	Jan						
Very difficult	11%	11	14	8	7	5	7	6	9	8
Somewhat difficult	25%	27	22	23	18	20	18	19	16	16
Not very difficult	17%	18	18	17	20	20	17	19	17	22
Not at all difficult	38%	35	40	36	39	40	42	40	39	36
Don't use/have	5%	6	4	14	14	12	13	14	18	18
Unsure	4%	3	2	1	3	3	3	2	2	--

Table 7

Question: Do you feel confident or not confident that life for our children's generation will be better than it has been for us?										
	All	Age				Income				Jul 09
	Oct	18-29	30-44	45-59	60+	0-50k	51-100k	101-150k	151k+	
Feel confident	28%	50	27	32	20	32	30	35	33	30%
Not confident	62%	41	66	59	68	61	61	56	64	63%
Don't know	11%	9	7	9	12	7	8	9	3	8%

Table 8

Question: How worried are you that you might lose your job in the next 12 months...?										
<i>N=379 MoE=+/-5</i>	All	Age				Jul	Apr	Jan	Oct	Jun
	Oct	18-29	30-44	45-59	60+	09	09	09	08	08
Very worried	10%	13	9	11	10	13	14	10	12	7
Somewhat worried	22%	15	28	20	17	19	24	24	18	17
Not very worried	18%	14	21	18	16	26	25	23	18	21
Not at all worried	49%	58	40	50	56	41	36	43	52	53
Not sure	1%	-	3	1	1	1	1	1	1	2

Table 9

Question: [If employed, ask...] If you were to lose your job tomorrow, how long could you live off your savings?								
<i>N=379 MoE=+/-5</i>	Oct	18-29	30-44	45-59	60+	Jul 09	April 09	Jan 09
0 months/no savings	9%	9	13	7	5	8%	5	10%
1 or 2 months	20%	23	22	23	10	15%	22	21%
3 to 5 months	17%	23	20	11	13	24%	22	16%
6 months or more	48%	44	41	54	69	48%	47	46%
Don't know	5%	-	3	5	3	5%	3	7%

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