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Contacts: Sorin A. Tuluca 973.443.8810
Peter Woolley 973.670.3239

1st Quarter Report on New Jersey Consumer Perception

Job Worries, Credit-Card Difficulties Continue

New Jerseyans continue to worry about their job security, according to the quarterly consumer survey by Fairleigh Dickinson University's Silberman College of Business. More than a third (36%) of those employed say they are worried about losing their job in the next 12 months—a third of those, 12% overall, are “very worried.” On the other end of the scale, just 39% say they are “not at all worried” about losing their job, down five percentage points from the previous quarter. Two-thirds (65%) report that they have either a relative or close friend who has been laid off, essentially unchanged from January (67%), and still elevated compared to 54% in January 2009 and 38% in January 2008.

“People are aware that even if the economy as a whole has stabilized, their own employer is still under a lot of pressure,” said Sorin Tuluca, professor of finance at Fairleigh Dickinson's Silberman College of Business and a specialist in financial crises. “A recovering economy does not mean each business or organization recovers equally.”

In fact, those who are employed are more likely than those who have not been working—whether retired, or not employed outside the home, or unemployed—to say they are better off financially than they were a year ago (27% compared to 12%) and are significantly less likely to say that they're worse off (41% compared to 52%).

“Those who have kept their jobs feel lucky,” said Tuluca. “And as they reduce their spending out of caution, they feel more secure.”

Overall, one in five (21%) New Jerseyans report they are better off than a year ago, an increase of three percentage points over January 2010 and eight points over January 2009.

However, looking ahead, only 43% think that they will be better off next year, a decrease of five percentage points from January and the lowest number since October 2008 when the banking crisis was in full force. Those who are employed are more optimistic than those who are retired or not employed. Those over 60 are the least optimistic, with just one-in-four (24%) saying they'll be better off financially in a year.

“Consumers have understandably mixed feelings,” said Tuluca. “On the one hand, they know the country avoided a complete economic disaster, so they're better off than they expected to be. On the other hand, there is little to indicate that the economy will mend quickly.”

About a third (31%) continue to say that making credit-card payments is somewhat or very difficult, unchanged over the past year, but up from early 2008 and previous years when the figure hovered around one in four.

“The silver lining might be that the consumer learns a lesson in this economic downturn,” said Tuluca. “The lesson would be to save a little more and live less on credit,” he said. “This would be good for the economy in the long run.”

The telephone survey of 608 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 conducted by FDU's PublicMind from March 22, 2010, through March 28, 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>
Radio actuality line: (201) 692-2846. For more information, please call 201. 692.7032

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 March 22, 2010 through March 28, 2010 using a randomly selected sample of 608 adults statewide (aged 18 and over) who report that they participate in financial decisions in their household. The sampling error for 600 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 32%	Worse 46%	Unsure 1%
	Employed	27	31	41	1
	Not employed	12	35	52	2
	Age				
	18-29	27%	17%	56%	--
	30-44	30%	28%	40%	2%
	45-59	20%	33%	47%	--
	60+	11%	42%	45%	2%

Table 1B: Personal finances, trend

		Better	Same	Worse	Unsure
Question: Would you say you and your family living there are better off or worse off financially than you were a year ago?	2010 current	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%
	2003	29%	31%	39%	1%

PublicMind research is available on the web at:
<http://publicmind.fdu.edu>

Table 2A: Personal finances in the year ahead

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?	All	Better	Same	Worse	Unsure
		43%	16%	29%	12%
	Employed	46	14	30	10
	Not employed	39	19	29	14
	Age				
	18-29	70%	11%	10%	9%
	30-44	59%	10%	25%	6%
	45-59	40%	16%	30%	14%
	60+	24%	24%	39%	13%
	White	37%	18%	34%	11%
	Non- white	57%	13%	17%	14%

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

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
	2010 current	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%
	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?		Yes	No
	2010 current	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

In the past year, did you let the unpaid balance on your credit card increase?						
	2010 current	2010.		2009		
		Jan	Oct	Jul	Apr	Jan
Yes	21%	24%	22%	21%	23%	24%
No	71%	75%	70%	73%	68%	74%
Unsure	1%	1%	1%	1%	1%	1%
No card [skip to 6]	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?						
N=568	2010 Current	Past five quarters				
		Jan.	Oct	Jul	Apr	Jan
Yes	8%	6%	7%	8%	9%	7%
No	86%	92%	86%	86%	87%	89%
Unsure	3%	2%	4%	3%	3%	2%
No card	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...?									
	All	Age				Gender		Employed	
		18-29	30-44	45-59	60+	men	women	yes	No
Very difficult	12%	32%	11%	11%	8%	10	14	11	14
Not very difficult	19%	12%	18%	26%	15%	18	20	23	14
Somewhat difficult	16%	21%	23%	13%	14%	20	14	19	14
Not at all difficult	35%	11%	34%	34%	48%	37	34	36	35
No longer have	13%	20%	10%	13%	12%	11	15	9	19
Unsure	4%	4%	3%	3%	3%	3	3	2	4

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...?									
	2010 current	2010 Jan	2009 Jan	2008	2007	2006	2005	2004	2003
Very difficult	12%	12%	8	7	5	7	6	9	8
Somewhat difficult	19%	21%	23	18	20	18	19	16	16
Not very difficult	16%	17%	17	20	20	17	19	17	22
Not at all difficult	35%	36%	36	39	40	42	40	39	36
Don't use/have	13%	14%	14	14	12	13	14	18	18
Unsure	4%	1%	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=365 MoE=+/-5	All	Age				Jan	Oct	Jul	Apr	Jan	Oct
		18-29	30-44	45-59	60+	10	09	09	09	09	08
Very worried	12%	6%	13%	13%	8%	10	10	13	14	10	12
Somewhat worried	24%	11%	27%	25%	17%	23	22	19	24	24	18
Not very worried	24%	34%	19%	24%	28%	22	18	26	25	23	18
Not at all worried	39%	49%	40%	36%	45%	44	49	41	36	43	52
Not sure	1%		1%	1%	2%	1	1	1	1	1	2

Table 8: savings as safety net

[If employed, ask...] If you were to lose your job tomorrow, how long could you live off your savings?										
N=365 MoE=+/-5	All	18-29	30-44	45-59	60+	Jan '10	Oct '09	Jul '09	April '09	Jan '09
0 months/no savings	7%	13%	7%	7%	4%	7%	9%	8%	5%	10%
1 or 2 months	18%	33%	24%	13%	10%	20%	20	15	22	21
3 to 5 months	21%	15%	28%	20%	9%	18%	17	24	22	16
6 months or more	51%	39%	39%	58%	73%	49%	48	48	47	46
Don't know	2%	--	2%	1%	3%	5%	5	5	3	7

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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?

Yes
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 CC6]

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)

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

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)

D4B If you were to lose your job tomorrow, how long could you live off your savings...READ?

0 months/no savings [VOL]
1 or 2 months
3 to 5 months
6 months or more
Don't know