



## THE CONFERENCE BOARD

### News Release

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### **Consumers in a Cost Conscious Mood Heading Into The Holiday Season, The Conference Board Reports U.S. Households Plan to Spend Less on Christmas Gifts This Year**

**Nov. 21, 2008...**U.S. households are expected to spend an average of \$418 on gifts during the holiday season, down from last year's estimate of \$471, The Conference Board reports today.

The survey of Christmas gift spending intentions covers a nationally representative sample of 5,000 U.S. households. It was conducted for The Conference Board in November by TNS, the world's largest custom research company.

"Consumers are in a cost conscious mood heading into the holiday season and they intend to spend less this year than last year on gifts," says Lynn Franco, Director of The Conference Board Consumer Research Center. "This is shaping up to be one of the most challenging holiday seasons in years and it's going to take more than the usual discounts and incentives from retailers to get consumers to spend more freely." (See page 3 for complete survey data.)

The top Christmas spenders will be East North Central households (Illinois, Indiana, Michigan, Ohio, Wisconsin) who intend to spend an average of \$550. Lowest Christmas spending will be in the West South Central region (Arkansas, Louisiana, Oklahoma, Texas) where consumers intend to spend an average of \$330 on Christmas gifts.

Only 27 percent of all households intend to spend \$500 or more on Christmas gifts, down from 33 percent last year. Thirty-seven percent plan to spend \$200-\$500, and 35 percent are planning to spend less than \$200.

## **ONLINE BUYING INTENTIONS**

This year, 39 percent of all consumers will buy Christmas gifts on the Internet. Books top the list of online Christmas buying, with 38 percent saying they will buy books as gifts. Toys and games came in second with 36 percent of consumers intending to purchase these gifts online. Apparel and footwear rank third as online Christmas buying choices, followed by movie videos and DVDs.

Of the 41 percent who said they purchased Christmas gifts last year on the Internet, 94 percent said they were satisfied with their online buying experience.

### **Other key findings in The Conference Board survey:**

- Households headed by individuals 65 and over intend to spend the most this season, with a \$469 average spending budget.
- Households headed by those aged 35-44 intend to spend \$419 on gifts.
- Households whose incomes top \$50,000 intend to spend \$551 for Christmas gifts.

### **US REGIONS:**

**New England:** Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

**Middle Atlantic:** New Jersey, New York, Pennsylvania

**East North Central:** Illinois, Indiana, Michigan, Ohio, Wisconsin

**West North Central:** Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota

**South Atlantic:** Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia

**East South Central:** Alabama, Kentucky, Mississippi, Tennessee

**West South Central:** Arkansas, Louisiana, Oklahoma, Texas

**Mountain:** Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming

**Pacific:** Alaska, California, Hawaii, Oregon, Washington

**Source: The Conference Board / Christmas Spending Survey 2008**

<b>How much will you be spending on gifts this Christmas?*</b>	
<b>TOTAL U.S.</b>	<b>\$418</b>
<b>REGION</b>	
New England	\$527
Middle Atlantic	\$484
E.N. Central	\$550
W.N. Central	\$389
South Atlantic	\$387
E.S. Central	\$397
W.S. Central	\$330
Mountain	\$415
Pacific	\$376
<b>AGE OF HOUSEHOLD HEAD</b>	
Under 25	\$310
25-34	\$377
35-44	\$419
45-54	\$408
55-64	\$408
65 & over	\$469
<b>HOUSEHOLD INCOME</b>	
Under \$15,000	\$173
\$15,999-\$25,000	\$278
\$25,000-\$35,000	\$332
\$35,000-\$50,000	\$352
\$50,000 & over	\$551
*These figures represent average planned household expenditures on Christmas gifts for 2008.	

<b>How much will you be spending on gifts this Christmas?</b>	
<b>Total U.S.</b>	<b>100.0%</b>
Under \$100	17.8%
\$100-\$199	17.6%
\$200-\$299	13.0%
\$300-\$399	11.6%
\$400-\$499	12.7%
\$500-\$749	12.0%
\$750-\$999	6.5%
\$1,000 & over	8.8%

<b>Which items will you purchase over the Internet*?</b>	
Books	37.9
Toys/Games	35.9
Apparel & Footwear	34.8
Movie Videos & DVDs	25.7
Music CDs	19.8
Electronics	19.0
Other	14.1
Flowers & Gift Baskets	13.0
Computer & Video Games	10.7
Home & Garden	10.7
Jewelry	10.1
Health & Beauty Aids	9.4
Tools & Hardware	5.9
Computer Software	4.0
Wine & Spirits	3.8
Computer Hardware	2.5
Gift Certificate	1.8
*Based on respondents who intend to purchase Christmas gifts online.	

Source: The Conference Board / Christmas Spending Survey 2008