



THE CONFERENCE BOARD

News Release

Further information:

Lynn Franco (212) 339-0344

Lynn.franco@conference-board.org

For Release at 10:00 AM ET, Monday, Nov. 23, 2009

Release #5384

Consumers in a Frugal Holiday Mood, The Conference Board Reports

U.S. Households Plan to Spend an Average of \$390 this Season, Down from Last Year

Nov. 23, 2009...U.S. households are expected to spend an average of \$390 on Christmas gifts this holiday season, down from last year's estimate of \$418, 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 approaching the holiday season very cautiously," says Lynn Franco, Director of The Conference Board Consumer Research Center. "Job losses and uncertainty about the future are making for a very frugal shopper. Retailers will need to be quite creative to entice consumers to spend, both in stores and online this holiday season, as consumers most certainly will expect major markdowns and bargains."

(See page 3 for complete survey data.)

The top spenders will be New England households (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont) who intend to spend an average of \$534. Lowest Christmas spending will be in the Mountain region (Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming) where consumers intend to spend \$332 on Christmas gifts.

Only 26 percent of all households intend to spend \$500 or more on Christmas gifts, down slightly from 27 percent last year. Among other households, 35 percent plan to spend \$200-\$500, down from 37 percent last year, and 39 percent are planning to spend less than \$200, up from 35 percent in 2008.

ONLINE BUYING INTENTIONS

Consumers will also approach online holiday shopping very cautiously, holding off on big ticket items and holding out for major incentives like free shipping and discounts, according to The Consumer Internet Barometer, a separate survey produced quarterly by The Conference Board and TNS. The Consumer Internet Barometer surveys 10,000 households across the country and tracks who's doing what on the Internet.

“Even as the economy is starting to show signs of improvement, consumers are taking a cautious approach to their purchase decisions, focusing on lower ticket items that clearly communicate value,” notes Bridget Armstrong, head of Consumer Sector at TNS.

Budget-friendly items appear at the top of consumers' online holiday shopping lists. The top categories include books, apparel/footwear, toys/games and movies/DVDs. The most preferred shopping sites are those operated by online retailers such as Amazon.com. Retail stores and catalog operators such as Walmart.com or BestBuy.com are a close second.

About 90 percent of online consumers cite free shipping as a major incentive. More than two out of three said special deals and offers not available in stores as well as coupons and discounts would encourage them to spend more.

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

How much will you be spending on gifts this Christmas?*	
TOTAL U.S.	\$390
REGION	
New England	\$534
Middle Atlantic	\$421
E.N. Central	\$427
W.N. Central	\$470
South Atlantic	\$346
E.S. Central	\$390
W.S. Central	\$374
Mountain	\$332
Pacific	\$343
AGE OF HOUSEHOLD HEAD	
Under 25	\$257
25-34	\$345
35-44	\$356
45-54	\$400
55-64	\$413
65 & over	\$414
HOUSEHOLD INCOME	
Under \$15,000	\$180
\$15,999-\$25,000	\$218
\$25,000-\$35,000	\$307
\$35,000-\$50,000	\$343
\$50,000 & over	\$514
*These figures represent average planned household expenditures on Christmas gifts for 2009.	

How much will you be spending on gifts this Christmas?	
Total U.S.	100.0%
Under \$100	21.6%
\$100-\$199	17.3%
\$200-\$299	13.0%
\$300-\$399	12.1%
\$400-\$499	9.8%
\$500-\$749	13.0%
\$750-\$999	5.6%
\$1,000 & over	7.7%
*These figures represent average planned household expenditures on Christmas gifts for 2009.	

Source: The Conference Board Christmas Spending Survey, November 2009

Which items will you purchase online this Holiday season*?	
Books	41.2%
Apparel & Footwear	40.0
Toys/Games	35.0
Movie Videos & DVDs	33.9
Gift Certificate	25.0
Electronics	23.6
Music CDs	19.6
Computer Software	13.0
Other	9.4
Wine & Spirits	1.1
Home & Garden	0.6
Jewelry	0.5
Tools & Hardware	0.2
*Based on online households who intend to make an online purchase this holiday season.	

Which incentives would encourage you to spend more online this Holiday season*?	
Total U.S.	100.0%
Free shipping offers	90.1%
Free return postage	41.6%
Able to return to physical store	48.9%
Can find things that are not available in stores	54.1%
Special offers/deals that are not available in stores	69.7%
Guarantee delivery date	32.4%
Coupons/discounts	68.0%
Other encouragement	2.5%
*Based on online households who intend to make an online purchase this holiday season.	

Source: The Conference Board TNS Consumer Internet Barometer Survey, Q4 (October) 2009