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Survey: Local Consumer Sentiment is Stabilizing

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Survey: Local consumer sentiment is stabilizing

During the past several months, the national economy has continued to show signs of improvement.

For example, first quarter U.S. Gross Domestic Product rose 3.2 percent. This was powered mainly by consumer spending and business investment.

The good news is that consumers could be starting to spend some of what they have saved, or this could be another false start to the "main street" recovery.

What does this mean to the Savannah area?

The Bureau of Business Research and Economic Development conducted a survey earlier this spring using volunteers from Jacqueline Eastman's marketing research class to see how consumers feel the economy has been and where it will be going in the next six months.

This was the first spring consumer confidence survey

conducted by the bureau. The poll follows in the tradition of the holiday consumer confidence survey, which has been conducted since 2003.

When the polls are compared, using questions asked in the fall and spring, the results indicate respondents slowly are beginning to see the economy stay at the same level where it has been for the last year or more.

In both the fall and the spring surveys, respondents were asked how they think the economy is doing compared to last year. This question remained fairly stable, with 25 percent seeing the economy about the same in the fall survey versus 28 percent in the spring.

There was also an increase in consumers who felt the economy is better than it was last year, with only 18 percent indicating the economy was better than it was a year ago in the fall. In contrast, 26 percent indicated the economy was better than it was a year ago in the spring survey.

When respondents were asked where general busi-

ness conditions will be in six months, the results were stable. About 69 percent in the fall and 72 percent in the spring felt that business conditions would be the same or better in six months with the 3 percent increase being to respondents who felt the general business conditions would be better.

Respondents were also asked how they are doing financially compared to last year. In the fall, 66 percent felt they were doing about the same or better. This spring, this question had moved up to 68 percent.

These findings demonstrate consumers are still feeling the effects of slow or no wage growth, flat or falling home prices and big losses to their retirement accounts.

However, consumers have become somewhat more optimistic about their own financial picture in six months.

When asked what their total family income would be in six months, 9 percent of the spring respondents thought their income would decrease compared to 16 percent in the fall.

The majority of respondents feel their total family income would be about the same during the next six months. This indicates that consumers are starting to feel their personal financial picture stabilize.

In conclusion, the economy seems to have slowed its descent and, in fact, has stabilized. This has been a long and arduous road, and consumer confidences have been bumping along, following

the slow recovery. Although there has not been a dramatic increase in optimism, there has not been another nosedive either.

Consumers are still saving at about the same high level as they were a year ago. This is a good sign for future stability because when consumers see good value, they will be ready to take advantage.

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Consumers feel they are at about the same level of financial stability as they were last year and that employment will start to slowly return to previous levels. In general, opinions are starting to stabilize.

Although overall attitudes shift more slowly than hard data, these surveys seem to indicate that attitudes are beginning to turn in a more positive direction.

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