

StrategyOne: Economic Outlook

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Survey Methodology

- StrategyOne conducted 1,043 online interviews among a representative sampling of Americans between August 20 and 23, 2010.
- The overall margin of sampling error at the 95% level of confidence is = +/- 3.03% overall and larger for subgroups.
- Statistical weights were designed from the United States Census Bureau statistics.



Key Insights & Conclusions

- StrategyOne's recent survey found that two out of three Americans believe a double-dip recession is likely.
 - 65% of Americans say a double-dip recession — defined as a recession followed by a short-lived recovery, followed by another recession — is now likely to happen.
 - And among those who expect a double-dip recession, nearly half (44%) fear it will be worse than the first one, with 21% worried it will be “much more severe.” Just 24% think the second recession will be less severe.
- As they are bracing for a second downturn, Americans are certainly not holding their breath for a full recovery coming anytime soon.
 - A quarter (23%) of the county says the U.S. economy won't ever fully recover,
 - 71% say the recovery won't take place until the end of 2011 or later.
 - Just 5% think there will be a full economic recovery by the end of this year.



Key Insights & Conclusions

- Negative opinions about the economy are certainly a major factor in why close to half the country believes that America's best days are behind us, and why the majority believe there is something fundamentally wrong with America.
 - A slim majority, 52%, says they are ahead of us, while 48% say they are behind us.
 - 71% agree that America is fundamentally broken and not working.



Key Insights & Conclusions

- Further, facing a scary and uncertain financial future, Americans are watching their spending.
 - 41% are planning to cut back on their spending over the next 3–4 months, compared with 8% who plan to increase it.
 - 35% say they will plan to cut back their online spending over the next to 3–4 months, compared with 12% who plan to increase it.
 - 79% say they are planning to spend less money for Christmas this year.
 - 87% say they do not plan to make a big-ticket purchase (such as a house or car) in the next 3–4 months.
 - 49% have already delayed making a big-ticket purchase during the past few months.
 - 26% of Americans don't expect their personal finances to fully recover from the downturn until after 2011,



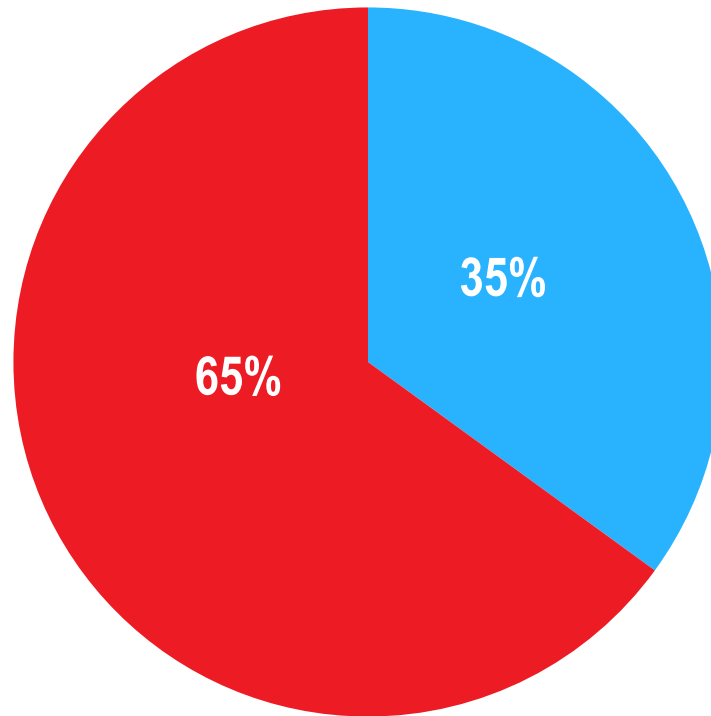
Current Perceptions of the Economy



2 in 3 Say Double Dip Recession is Likely

Which statement do you agree with more?

I think it is likely that the US will experience a double dip recession.



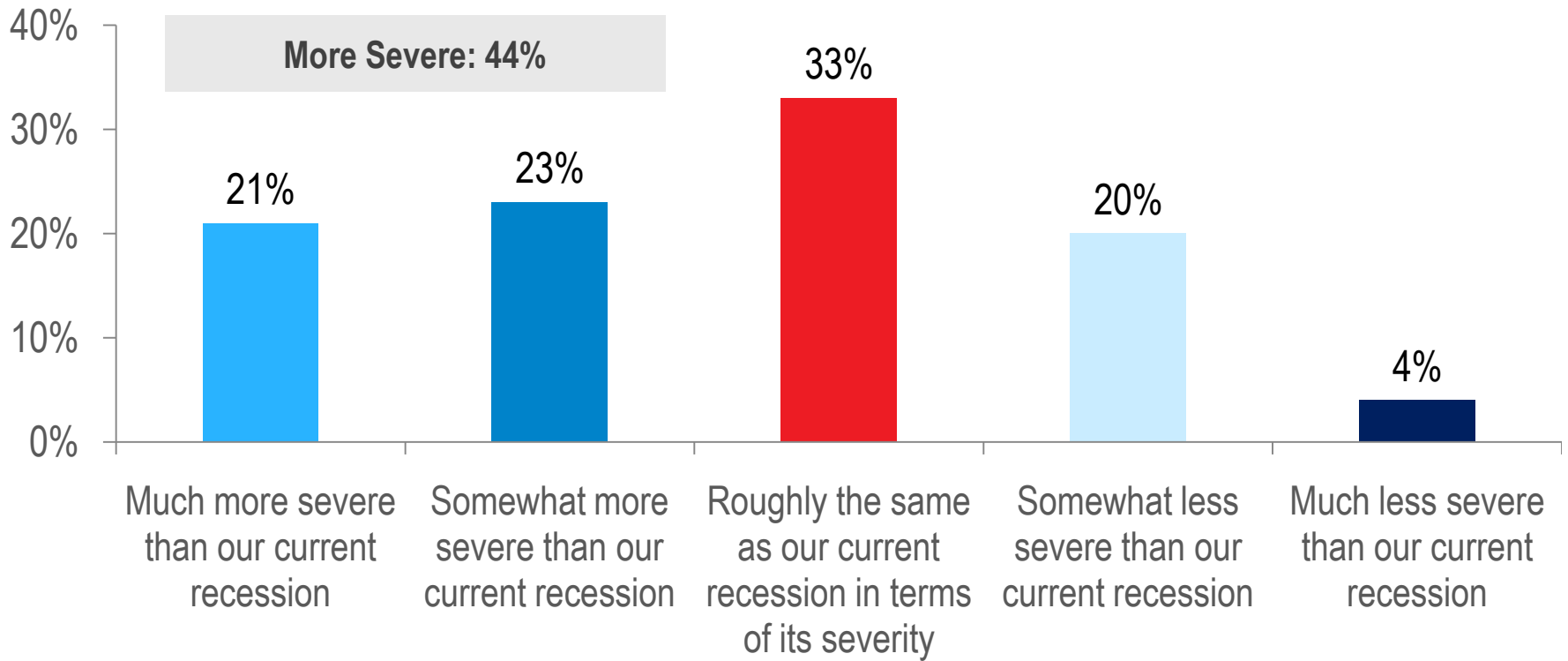
I do not think it is likely that the US will experience a double dip recession.

Question text: A double-dip recession refers to a recession followed by a short-lived recovery, followed by another recession. Which statement do you agree with more?



Among those who expect a double-dip recession, nearly half fear it will be worse than the first one

The 2nd Recession will be...

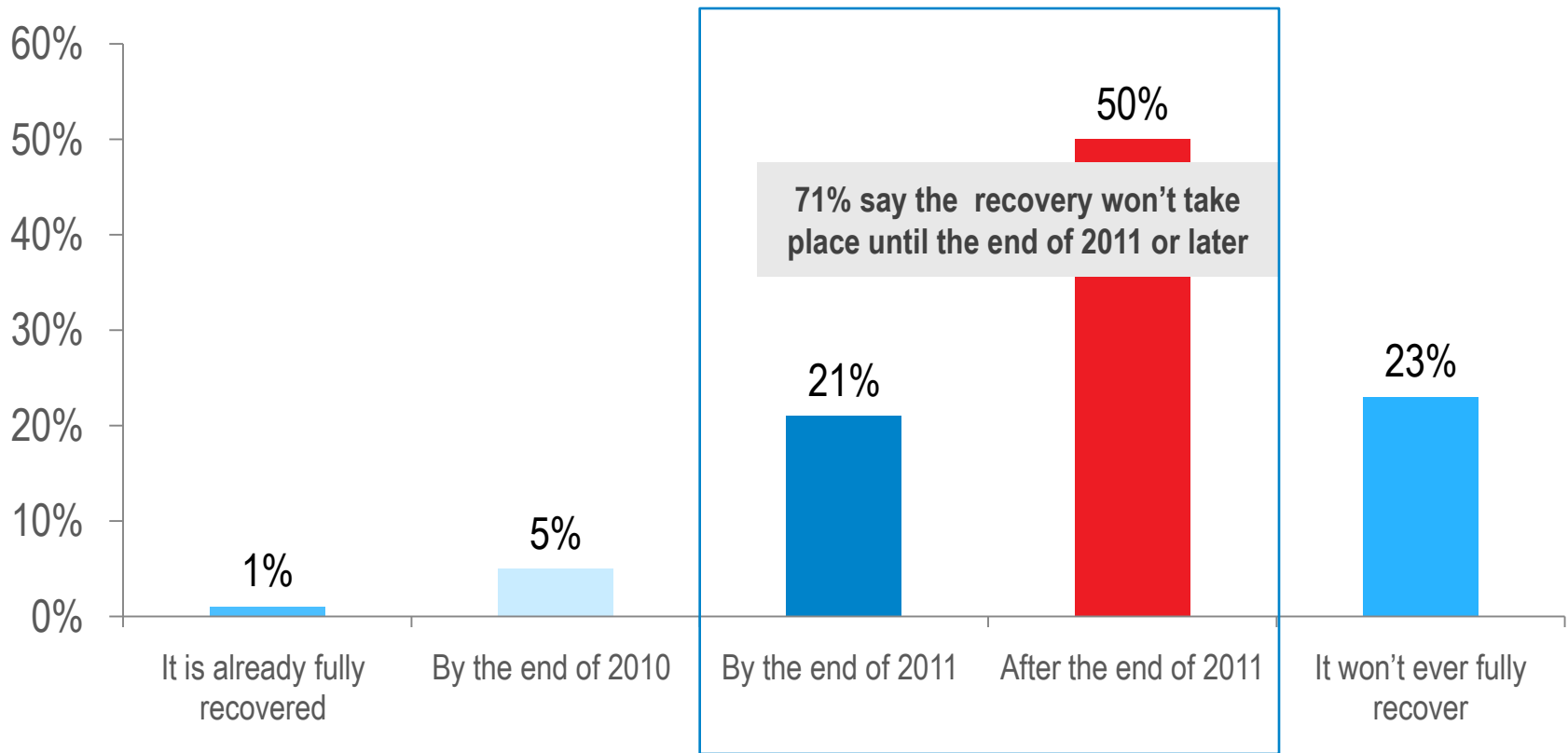


Question text: *You indicated that you thought it was likely that the U.S. will experience a double-dip recession, meaning that we'll have a recession followed by a short-lived recovery, followed by another recession. Do you think that the 2nd recession in this scenario will be...*



Outlook for Economic Recovery is Bleak— 1 in 4 Say it Will Never Recover, Most Say After 2011

Timing of Economic Recovery

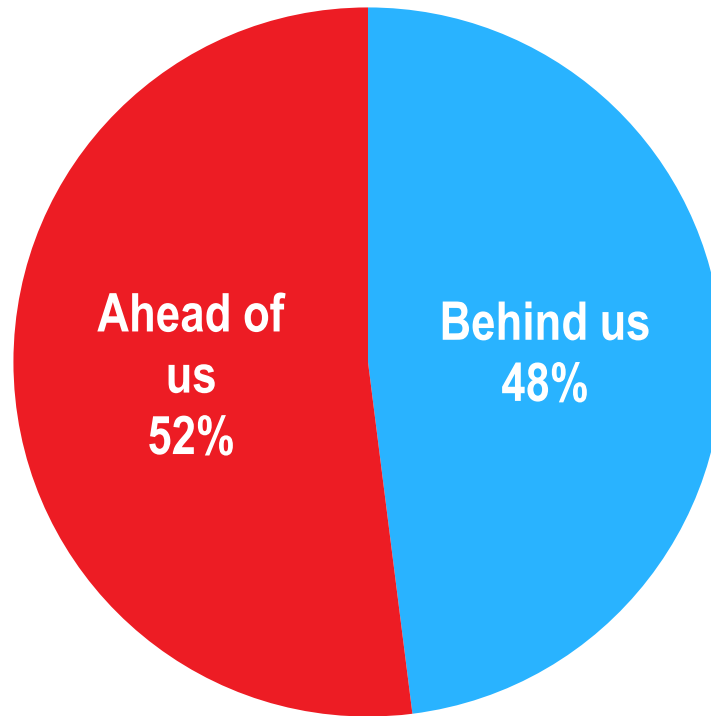


Question text: When do you expect that the economy will be fully recovered by?



The Country is Split on Whether America's Best Days Lie Ahead of Us or Behind

Americans' best days are...

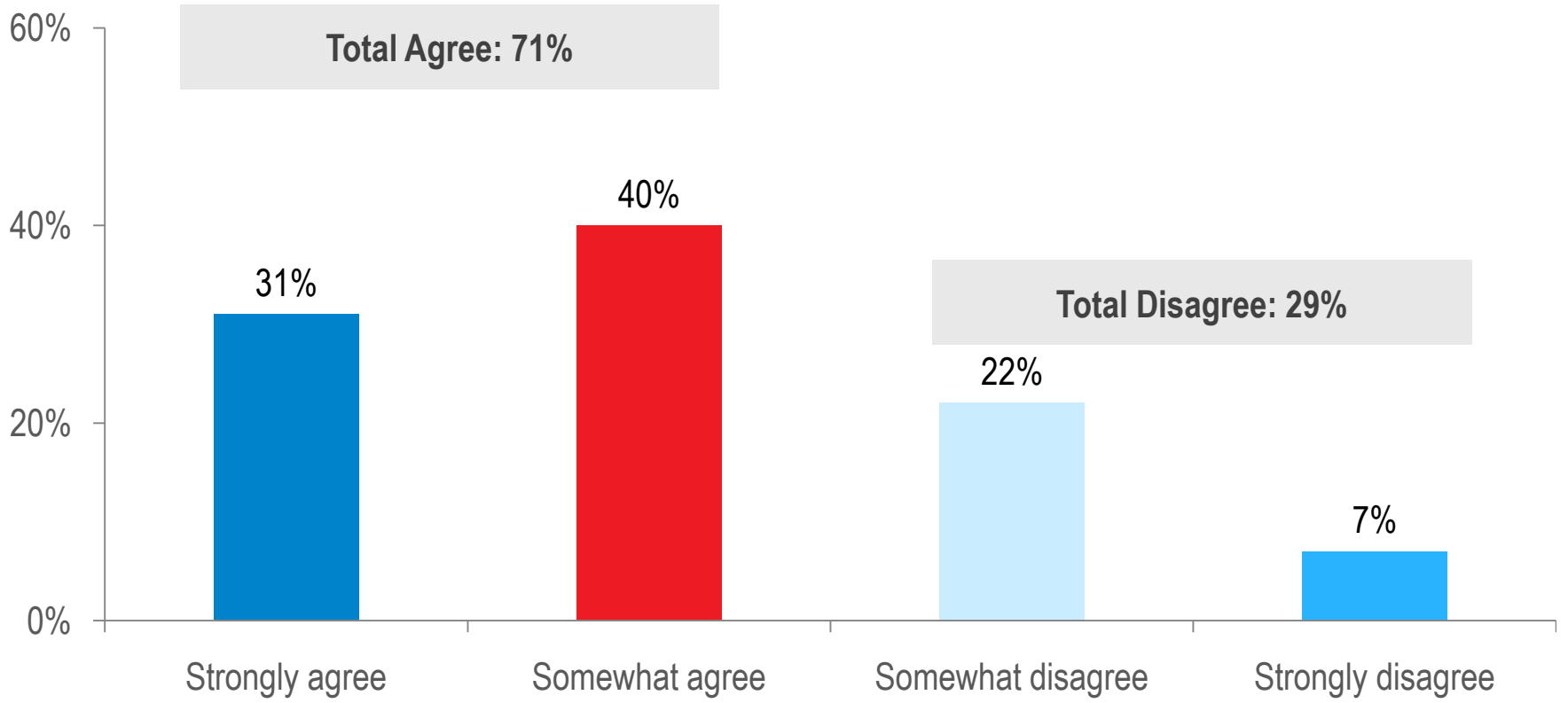


Question text: : *Would you say that Americans' best days are ahead of us or behind us?*



3 in 4 Agree that America is Fundamentally Broken and Not Working

I hate to admit it but America is fundamentally broken and not working



Question text: *hate to admit it, but America is fundamentally broken and not working.*



Facing an Uncertain Financial Future, Americans are Watching their Spending



79%

of Americans plan to spend less money for Christmas this year

87%

of Americans do not plan to make a big-ticket purchase in the next 3-4 months

49%

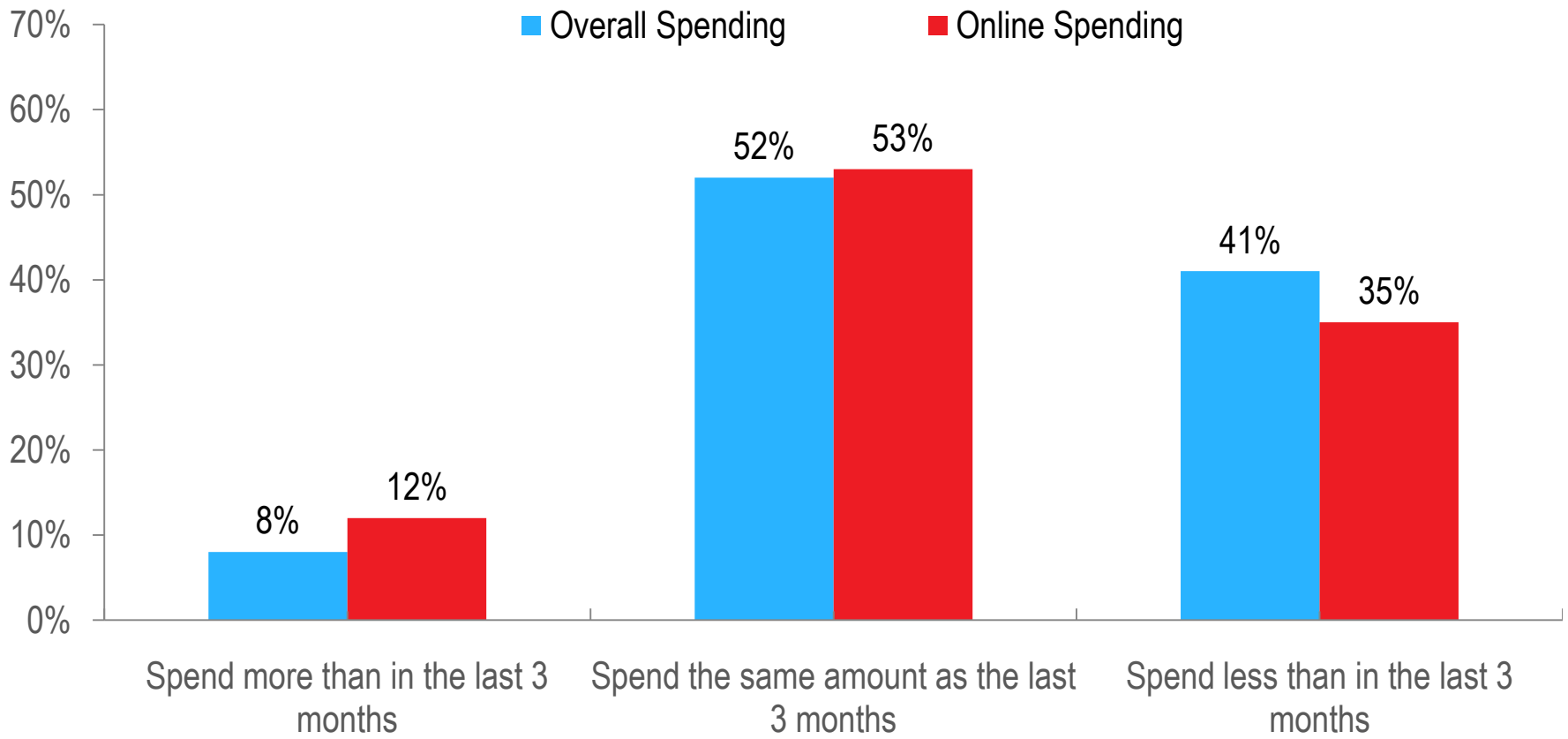
of Americans have delayed making a big-ticket purchase, such as a house, a car or another expensive item

Question text: (Are you) Planning to spend less money for Christmas this year; Do you plan to make a big-ticket purchase in the next 3 to 4 months, such as a house, a car or another expensive item; Over the past few months, have you delayed making a big-ticket purchase, such as a house, a car or another expensive item?



Americans Plan to Spend the Same Amount or Less Over the Next 3 Months

Expectations of Spending Over Next 3 Months

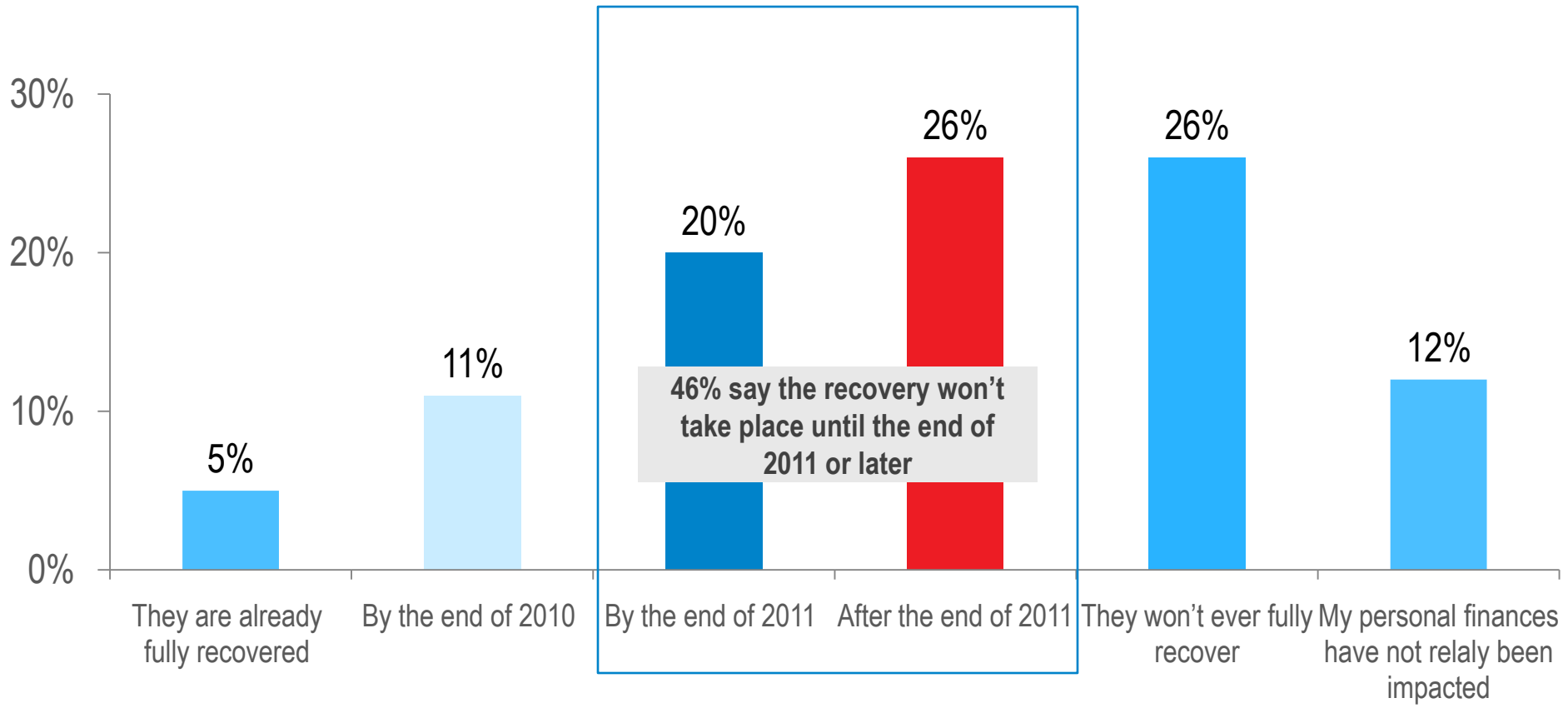


Question text: In terms of your own personal finances, over the NEXT 3 MONTHS do you expect to...



Outlook for Personal Financial Recovery is Bleak— 1 in 4 Say They Will Never Recover, Almost Half Say After 2011

Timing of Personal Financial Recovery



Question text: *When do you expect that your own personal finances will be fully recovered by?*



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