

**For Immediate Release**

For additional information, contact:  
Peter Gold, CEO  
914-219-5077  
Peter.gold@veraquestresearch.com

**CONSUMER 2010 HOLIDAY SPENDING OUTLOOK: SANTA, CAN YOU SPARE A DIME?**

*Nearly one-third of U.S. adults plan to decrease holiday spending this year,  
more than twice those planning to increase it*

(ARMONK, NY, November 2, 2010) Americans may be spending less money at the mall and more of it in the kitchen this holiday season, according to a recent national online omnibus survey among U.S. adults conducted by VeraQuest. Nearly one-third (30%) plan to decrease their holiday spending this year compared to last year, and only 14% plan to spend more. With just over half (56%) planning to spend about the same as last year, this early read on spending plans from Thanksgiving through New Year's Day could mean a slow holiday season for a variety of sectors, including retail, food service and travel.

Clothing, accessories and shoes may remain the most stable, but in nearly all categories tested Americans are likely either to hold the line or cut back.

**By Category, Percent of U.S. Adults Who Indicated Their Spending Will...**

	<b>Increase</b>	<b>Decrease</b>	<b>Stay about the same</b>
Clothing/Accessories/Shoes	20%	27%	53%
Electronics (e.g., computer, cell phone, video game, TV)	20%	34%	46%
Toys and games (except for video games)	18%	34%	48%
Media (books/CDs/movies)	17%	32%	51%
Food purchased from restaurant (dine in or take out)	14%	40%	46%
Holiday decorations (e.g., tree, ornaments, lights)	12%	36%	52%
Household items (e.g., linens, dishes, furniture)	11%	37%	52%
Holiday-specific travel (e.g., plane tickets, hotel, gas)	11%	41%	48%
Tools, autos, accessories	10%	40%	50%
Appliances (e.g., toaster, refrigerator, washer, curling iron)	7%	44%	48%

### **Travel and Entertainment Still Part of the Holidays**

Even though four times as many Americans (41%) plan to spend less on holiday-specific travel than those who plan an increase (11%), travel and entertainment will stay in the mix of holiday spending overall, with 30% travelling to friends or family outside their local area, and 10% planning holiday vacations.

Home cooking appears headed for a strong uptick. One-third of those who spend money for the holidays (34%) plan to increase spending on food prepared at home, compared to just 12% who plan a decrease. In contrast, spending on dine-in and takeout restaurant food may decline for 40%, with just 14% planning to increase their restaurant spending. Some of the at-home dining may be with friends: at some point during the course of the six-week holiday period, 46% of all U.S. adults plan to entertain guests at their home, and 42% plan to visit someone else's home in their local area.

### **How They Plan to Pay For It**

The extra budgeting required for holiday spending will be met by many through a combination of methods: 60% of holiday spenders plan to use cash already on hand or regular income earned during the holidays to cover at least some of their expenses, 43% mention saving or setting aside funds, and 15% plan to use retailer layaway programs. Some holiday spenders (39%) plan to borrow to help cover expenses, most of these (36%) using credit cards or personal lines of credit, and a few borrowing from family and friends (4%) or from their retirement plans or other financial instruments (2%). Others will be seeking extra income, either by working extra hours or taking on an additional job (17% plan to do this) or from a bonus from their employer (13%).

The survey also found that planned spending decisions may vary by gender (45% of men will consider borrowing vs. 33% of women), age (26% of adults 18-29 plan to increase spending, vs. 11% of those 40-49 and 8% of those aged 50 and older), family situation (20% of those with children aged 0-6 years in their household plan to increase spending) and geography (holiday travelers in the northeast are much more likely than those in other regions to travel by train – 20% vs. 8% or less – or bus – 16% vs. 6% or less, while those in the west much more likely than those in other regions to travel by air – 47% vs. 34% in the East, 27% in the South and 21% in the Midwest), but, in all cases, indications are that most Americans plan to hold the spending line as they move toward the New Year.

### **Methodology**

The survey sampled 2,518 U.S. adults aged 18 years and older online within the United States between September 27-29, 2010. Results were weighted as needed to reflect the total U.S. adult population aged 18 years and older. Respondents for this VeraQuest survey were randomly selected from an online panel to be generally proportional of the age, sex, region, race/ethnicity, income and education strata of the U.S., based on U.S. Census proportions. The data have been weighted to reflect the composition of the

U.S. adult population. The estimated sampling error for the sample of 2,518 respondents is +/- 2% at a 95% confidence level. These statements conform to the principles of disclosure of the National Council on Public Polls.

#### **About VeraQuest**

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