US Household Finances Survey

8th March 2013

ASR's Survey of U.S. Household Finances: Feb 2013

One of ASR's major investment calls for 2013 is that we will see a transition from markets dominated by sentiment and liquidity to an environment that is much more anchored in the fundamentals of the business cycle. One of the prerequisites for such a transition is the revival of the U.S. consumer and a more balanced U.S. economic recovery. <u>This proprietary survey of household finances</u>, now in its eighth wave, helps us better understand the position of and the driving forces behind households' balance sheets, savings, and investment behaviour. The fieldwork was conducted from Jan 25th until Feb 11th 2013.

Good News From Housing

The omens for U.S. housing look good. House prices are reported to be higher, which is chipping away at the number of households sitting on unrealised capital losses and/or in negative equity. If sustained, this should reduce, and potentially reverse, the pace of consumer deleveraging. The thesis of home ownership that underpins this section of the economy appears intact, and optimism for house prices over the next year is increasing. This has important implications for more than just the housing market; it could slow/reverse the pace of consumer deleveraging.

Yet debt remains a problem. One of the surprising findings of the survey was that, despite the positive housing outlook, 52% of those with debt felt that it was still high relative to their income – the highest percentage since we first asked the question. It seems any positive wealth effects felt from housing have not been enough to offset a squeeze on incomes.

But a Long Way From Broad-based Consumer Revival

Disillusionment with economic policymakers in Washington is widespread across political spectrum, although there is widespread agreement that the government should pay down debt faster.

But a new question in the survey has one of the most surprising answers, and makes it clear just how far away we still are from a normal consumer revival. More than three years on from the official end of the recession, only 14% of respondents believe the economy is growing, while 47% think the economy is in a 'recession' or a 'depression'. In a special topic, we explored this assessment further, to try to isolate the key factors that shape the economic view. Although some explanations are demographic and some are political, housing plays a significant role.

Much as we have been excited by the turnaround in house prices and the pick-up in housing activity, this survey is a reminder that, while housing is able provide economic "air cover", there is only so much it can when post-tax incomes are under pressure.

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Key Findings

There is significant improvement in the housing market – the effects of which could be felt far beyond housing.

There are signs of growth in the labor market.

But debt remains a problem, and the positive wealth effects from housing have not shifted risk appetite.

How households view the economy is surprising: more think the economy is in a depression than believe it is stable.

- Our survey shows significant improvement in the US housing market. The net balance reporting higher house prices than a year ago improved from -16% in August to +5%. *See p3.*
- Because of this, the percentage of homeowners facing unrealized capital losses and in negative equity equity is starting to reduce. If sustained, this should reduce – and potentially reverse – the pace of consumer deleveraging. A significant majority still favor home ownership over rental. *See page 4.*
- A net 29% of respondents now expect house prices to be higher in a year's time — and this has implications that go far beyond the housing market. *See pages 5-6.*
- Despite the positive housing outlook, consumers are increasingly worried about their debt levels. 52% of those with debt felt that it was high relative to their income – the highest percentage since we first asked the question in June 2009.
- 25% of those with debt were having difficulty meeting the minimum monthly payments on the mortgage or loan, and access to credit remains an issue. *See pages 8-9.*
- The survey shows 'green shoots' appearing in the labor market. Job security is up, and on balance, wages and hours are increasing … although benefits are not. *See page 10.*
- Financial anxiety has not significantly eased since 2010, and respondents rate their financial situation as precarious. But despite this, not all optimism is lost. 34% expect to be better off in a year from now, which is the most optimistic they've been in a long while. *See page 11.*
- Positive wealth effects from housing have not shifted risk appetite. Household risk appetite is broadly unchanged compared with a year ago, and lower even than at the height of the crisis . Respondents are unsure as to whether Treasury bonds are a "safe" or "risky" investment. *See page 13.*
- Even as finances seem stretched, repondents seem certain of retirement in their early 60s. *See page 15.*
- Disillusionment with policymakers in Washington is very much in evidence. It is not a surprise that 91% of Republican supporters think that policymakers are doing a poor job, but it perhaps is a surprise that so many Democrats agree.
- And although we find the positive developments in housing very encouraging, a new question shows how far away we are from a normal consumer revival. More than three years on from the "official" end of the recession, more respondents believe the economy is in a depression than believe it is stable. *See the special topic section, pages 16-19.*

I. Housing, Debt, and the Labor Market

Housing

- **The housing landscape has changed greatly since our last survey. House prices are up, and respondents are increasingly optimistic on prices over the next 12m.**
- **Because of this, the percentage of homeowners facing. unrealised capital losses and in negative equity is starting to reduce.**
- **Ultimately, the thesis of homeownership that underpins the U.S. economy is intact.**

Table 1: Housing Tenure

base=1,001	Jun 2009	Jan 2010	Jun 2010	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
I own it outright	20%	22%	18%	20%	19%	21%	22%	18%
I am buying my home with the help of a mortgage or loan	53%	56%	55%	55%	53%	47%	47%	52%
I pay rent	22%	18%	21%	20%	23%	25%	24%	23%
I live with my parents / relatives (but don't pay rent)							6%	5%
None of these	5%	4%	5%	6%	5%	7%	2%	3%

Source: ASR Ltd, TNS

Since our last survey, just six months ago, the housing story in the U.S. has completely changed. In August, the majority (37%, Table 2) reported falling house prices in their area over the previous year. Now that has reversed. 31% say prices are up, and respondents on balance are positive about what they've experienced with prices over the last year.

The narrative of U.S. housing has completely changed.

Table 2: Thinking about the housing market over the last twelve months, do you think house prices in your area have…

base=1,001	Aug 2012	Feb 2013
Risen significantly	5%	5%
Risen a little	17%	27%
Stayed about the same	30%	32%
Fallen a little	22%	16%
Fallen significantly	15%	10%
Don't know	11%	10%
Risen	*22%*	*31%*
Fallen	*37%*	*26%*
Net % Think Prices Have Risen Over Last Year (% Say Rise - % Say Fall)	**-16%**	**5%**

Source: ASR Ltd, TNS

As a result, we can see signs of homeowners climbing out from under the weight of unrealized capital losses. On balance, a net 13% say their home is worth more than when they bought it, up from 8% in the last survey. And although the process is slow, the proportion of homeowners who are underwater on their mortgage is declining – now a net 38% say their house is worth more than the mortgage outstanding.

Table 3: Would you say that the value of your house today is worth less than the amount you owe on your mortgage?

base=522, those with a mortgage	Jul 2011	Feb 2012	Aug 2012	Feb 2013
Worth less	27%	26%	27%	25%
Worth more	61%	65%	60%	63%
I would rather not say	2%	2%	2%	3%
Don't know	10%	7%	10%	10%
Net % Worth More	**34%**	**39%**	**33%**	**38%**

Table 4: Would you say that the value of your house today is worth more or less than when you bought it?

base=695, homeowners including those with a mortgage	Jul 2011	Feb 2012	Aug 2012	Feb 2013
More than when bought	45%	42%	41%	43%
About the same as when you bought	19%	21%	21%	22%
Worth less than when bought it	33%	32%	33%	30%
Net % Worth More	**12%**	**10%**	**8%**	**13%**

Source: ASR Ltd, TNS

64% of respondents would advise buying rather than renting.

Even 49% of those who think house prices will fall still recommend buying.

Table 5: Unrealized Captial Loss and Underwater Position

	Jul 2011	Feb 2012	Aug 2012	Feb 2013
House is worth less than when bought, underwater on mortgage	22%	20%	20%	19%
House is worth less than when bought, but not underwater	12%	12%	12%	13%

Base=522, those with a mortgage. Source: ASR Ltd, TNS

Further good news is that the homeownership thesis appears intact. Of respondents overall, 64% would advise someone at this time to buy, compared with only 14% who say they would recommend renting. There is little difference by age group, or by appetite for risk. 38% of those who are currently renting say they would recommend buying. Even 49% of those who think house prices will fall still recommend buying.

Table 6: Thinking about the housing market, would you advise someone at this time to buy their own home or to rent?

base=1,001	ALL RESPONSES	Age 25-44	Age 45-65	Take Risks	Avoid Risks	Own	Rent	House Px Rise	House Px Fall
Buy	64%	63%	65%	73%	67%	74%	38%	76%	49%
Rent	14%	17%	12%	14%	13%	8%	30%	11%	31%
Don't know	22%	21%	23%	13%	20%	18%	33%	13%	20%
Net % Say Buy	**50%**	**46%**	**52%**	**59%**	**54%**	**66%**	**8%**	**65%**	**17%**

Source: ASR Ltd, TNS

53% see value in the housing market, although this is down from the 74% in 2009.

Table 7: Do you think now is a good time to buy property or a good time to sell property?

base=1,001	Jun 2009	Jan 2010	Jun 2010	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
This is a good time to buy property	74%	63%	67%	63%	59%	58%	56%	53%
This is a good time to sell property	1%	2%	3%	2%	2%	4%	3%	6%
Neither	18%	25%	20%	24%	25%	25%	27%	26%
Don't know	7%	10%	9%	12%	14%	13%	15%	15%
Net % Say Buy	**73%**	**62%**	**64%**	**61%**	**57%**	**54%**	**53%**	**47%**

Source: ASR Ltd, TNS

What's more is that survey respondents are optimists about what the next year will bring. A net 29% think prices will be higher in a year – this is the highest proportion since we began asking this question in the summer of 2010.

Table 8: Thinking about the housing market, how do you think property prices will behave over next twelve months?

base=1,001	Jun 2010	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
Rise significantly	4%	3%	3%	3%	3%	5%
Rise a little	31%	26%	17%	23%	28%	35%
Remain more or less unchanged	38%	41%	35%	41%	39%	37%
Fall a little	13%	13%	20%	15%	10%	6%
Fall significantly	5%	5%	10%	5%	5%	4%
Don't know	9%	11%	15%	14%	15%	14%
Rise significantly or a little	*35%*	*30%*	*20%*	*26%*	*32%*	*39%*
Fall significantly or a little	*18%*	*19%*	*30%*	*20%*	*14%*	*10%*
Net % Think House Prices Will Rise	**17%**	**11%**	**-10%**	**7%**	**17%**	**29%**

Source: ASR Ltd, TNS

This positive outlook on housing really matters. We find that how a respondent feels about the direction of house prices over the next year is one of the most important economic distinctions the survey allows us to make. Table 9 compares those who anticipate house prices to rise over the coming year (39% of respondents) to those who think house prices will be either flat or down over the next year (47% of respondents).

Whilst it is true that some of what is driving the outlook for house prices next year is based on the last year; it is equally true that a respondent's view on housing fundamentally shapes their economic experience.

Table 9 outlines the differences, but we would also note that these groups have many demographic similarities: age; likelihood to be in a household making more than $75K. A similar proportion have a mortgage and report similar working experiences. Both groups worry about debt levels – both their own and the Federal Government's.

Optimists on housing do not have an economic experience that is vastly different than those who are not as optimistic…. yet their economic assessment and outlook are widely divergent

An optimist on housing is more likely to believe the economy is growing, and more likely to think they will be better off next year.

They are more prepared to take risks with savings.

In short, these two groups do not have an economic *experience* that is vastly different. Yet their economic *assessment* and *outlook* are widely divergent in many areas. If housing continues to improve, and optimism becomes even more widespread, benefits will be felt across age and economic groups. And this just might filter through to an improvement in risk appetite, and to a better assessment of the economy.

Table 9: Consumer Attitudes of Those Who Think House Prices will Rise over next 12m vs Those Who Think Flat to Negative

base=1,001

Statement	% agreeing with statement: Of those seeing house prices up…	…vs. flat to down	% Diff.
House prices rose in the last 12m	58%	15%	+43%
House prices fell in the last 12m	14%	40%	-27%
The economy is slowing/recession	49%	75%	-25%
I am not in negative equity	76%	57%	+19%
The economy is growing	26%	8%	+18%
Stocks are a good way to save for retirement	51%	34%	+17%
I will be better off next year	44%	28%	+16%
I *Feel* wealthier than average	35%	20%	+15%
I have not postponed retirement age	55%	41%	+15%
I would invest additional money in the stock market	39%	25%	+14%
Treasury bonds are safe	46%	32%	+14%
Treasury bonds are risky	24%	38%	-14%
I am in negative equity	18%	31%	-12%
This is a good time to buy property	65%	53%	+12%
Do not think stocks are good for retirement	29%	41%	-12%
Advise buying rather than renting	76%	65%	+11%
My house is worth more than when I bought it	50%	39%	+11%
I have more than $40k in savings	44%	33%	+11%
Children of my generation will have a better standard of living	26%	16%	+10%
Economic policymakers are doing a good job	19%	10%	+9%
I Feel I have higher income than average	32%	23%	+9%

All differences shown are at a 99% confidence level. Source: ASR Ltd, TNS

Debt

- **Debt levels and debt servicing is more of an issue this survey than it was in the last one.**
- **This points to a squeeze on income not offset by positive wealth effects.**

Around half of respondents have a mortgage, a consistent reading with recent waves. This is down from the peak of 2010, when closer to 60% reported having a mortgage.

Table 10: Do you personally have a mortgage?

base=1,001	Jun 2009	Jan 2010	Jun 2010	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
Yes (either in your sole name or jointly)	56%	59%	58%	56%	54%	49%	49%	52%
No	44%	40%	40%	42%	45%	49%	50%	45%
Don't know	0%	0%	1%	0%	1%	1%	0%	1%
I would rather not say	1%	1%	1%	2%	1%	1%	1%	2%
Net % Have a Mortgage (%Yes-%No)	**13%**	**19%**	**18%**	**14%**	**9%**	**0%**	**-1%**	**7%**

Source: ASR Ltd, TNS

The proportion reporting that they have any other kind of (non-mortgage) debt rose to 61%; although one explanation may be that the question was changed to explicitly include student loan debt. Previous surveys showed a small proportion (around 9%) who would say that they did not have any non-mortgage debt, but then admitted to having student debt. The wording of this question hopefully makes that more clear.

Table 11: Do you have any other loans or borrowings other than a mortgage (such as credit card debt, a car loan, a bank loan, student loan etc.)?

base=1,001	Jun 2009	Jan 2010	Jun 2010	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
Yes	62%	63%	67%	56%	58%	55%	54%	61%
No	37%	35%	31%	41%	40%	42%	44%	35%
Don't know	0%	0%	1%	1%	1%	2%	1%	1%
I would rather not say	1%	1%	1%	2%	2%	1%	1%	3%
Net % Have Other Debt (%Yes-%No)	**26%**	**28%**	**36%**	**16%**	**17%**	**14%**	**10%**	**25%**

Note, in February we included student loans in the list of debt examples. Source: ASR Ltd, TNS

Table 12: Borrowing Summary

base=1,001	Jun 2009	Jan 2010	Jun 2010	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
Only a mortgage	15%	15%	12%	18%	17%	16%	17%	13%
Only other loans	22%	20%	22%	18%	20%	22%	22%	22%
Mortgage and other loans	41%	44%	45%	39%	37%	33%	32%	39%
Any mortgage	56%	59%	58%	56%	54%	49%	49%	52%
Any other loans	62%	63%	67%	56%	58%	55%	54%	61%
% have no debt at all	**22%**	**21%**	**19%**	**24%**	**24%**	**27%**	**29%**	**24%**
% have any kind of debt	**78%**	**80%**	**81%**	**76%**	**76%**	**73%**	**71%**	**76%**

Source: ASR Ltd, TNS

All the responses to the debt questions in our survey have gone the 'wrong' way

We were surprised to see that the responses to the questions on debt have worsened since the last survey, especially over six months where house prices and equity markets have risen. This tells us that any positive wealth effects that might have occurred are not enough to offset the income effects – and the survey tells us that income is being squeezed.

52% feel that their total debt is too high relative to their income, up from 44% in August. A quarter report problems servicing their debt, a figure up ten percentage points from June 2010. We would also note that, on balance, a net 49% say that the Financial Crisis has fundamentally changed their attitude towards debt, an increase of five percentage points since the last wave of the survey. More than three years after the credit crunch, *access* to credit too remains a problem (Table 16).

Table 13: Do you feel that your total debt is too high relative to your income?

base=735, all with debt	Jun 2009	Jan 2010	Jun 2010	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
Yes	41%	43%	47%	43%	45%	45%	44%	52%
No	52%	50%	46%	49%	48%	45%	49%	39%
Don't know	6%	6%	6%	7%	7%	9%	6%	7%
I would rather not say	1%	1%	2%	1%	1%	1%	1%	2%
Net % Think Borrowings Too High	**-11%**	**-8%**	**1%**	**-7%**	**-3%**	**0%**	**-4%**	**13%**

Source: ASR Ltd, TNS

Table 14: Do you have difficulty meeting the minimum* payments on your mortgage or your loans?

base=735, all with debt	Jun 2009	Jan 2010	Jun 2010	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
Yes	19%	17%	15%	17%	23%	25%	21%	25%
No	79%	80%	80%	80%	74%	71%	78%	71%
Don't know	1%	2%	3%	1%	1%	2%	1%	2%
I would rather not say	1%	1%	2%	2%	1%	2%	1%	2%
Net % Have Trouble Making Payments (% Say Yes-% Say No)	**-61%**	**-63%**	**-65%**	**-62%**	**-51%**	**-46%**	**-57%**	**-46%**

* This previously read "monthly". Source: ASR Ltd, TNS

The fallout from the financial crisis on attitudes toward debt continues. On balance, a net 49% say that their attitude has been "fundamentally changed" as a result of the financial crisis. The percentage who say their attitude is unchanged has declined - only 23% say they have not changed how they feel about debt.

Table 15: Has the Financial Crisis fundamentally changed your attitude toward debt?

base=705, all with debt	Jul 2011	Feb 2012	Aug 2012	Feb 2013
Yes: I now plan to reduce my total debt level over the next 12 months.	33%	35%	32%	35%
Yes: I am not taking on any further debt.	34%	39%	38%	37%
No: The financial crisis has not changed my attitude towards debt.	27%	22%	26%	23%
Don't know	5%	4%	5%	5%
Net % Say Yes (% Say Yes-% Say No)	**41%**	**51%**	**44%**	**49%**

Source: ASR Ltd, TNS

Access to credit remains an issue. 57% believe it is "hard" to get a loan, 24% think it "easy". Despite efforts to encourage lending, this perception has not changed significantly over the last three years.

Table 16: At this time do you think it is easy or hard to get a mortgage, or loan?

base=1,001	**Jun 2009**	**Jan 2010**	**Jun 2010**	**Jan 2011**	**Jul 2011**	**Feb 2012**	**Aug 2012**	**Feb 2013**
Very hard to get a loan	25%	24%	24%	21%	19%	22%	23%	21%
Fairly hard to get a loan	32%	35%	37%	37%	38%	37%	35%	36%
Fairly easy to get a loan	22%	19%	20%	20%	18%	18%	18%	20%
Very easy to get a loan	5%	5%	4%	6%	6%	5%	4%	4%
Don't know	16%	18%	15%	17%	18%	18%	21%	19%
% Say very / fairly hard	*57%*	*59%*	*62%*	*58%*	*58%*	*59%*	*57%*	*57%*
% Say very / fairly easy	*27%*	*24%*	*24%*	*25%*	*24%*	*23%*	*22%*	*24%*
Net % Think Hard To Get A Loan (% Hard - % Easy)	**29%**	**35%**	**38%**	**33%**	**33%**	**36%**	**35%**	**33%**

Source: ASR Ltd, TNS

Labor Market

- **Green shoots are appearing in the labor market.**
- **Job security is up. 36% report an increase in pay; 24% report receiving a bonus or promition last year.**

There are some signs of optimism regarding the labor market. The percentage of those currently working who say that they have a greater feeling of job security has improved relative to the last two surveys.

Table 17: At this time, how secure do you feel your job is?

base=609, all in employment	Jun 2009	Jan 2010	Jun 2010	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
My job feels very secure	41%	40%	32%	29%	32%	31%	31%	33%
My job feels fairly secure	43%	46%	49%	52%	55%	47%	48%	49%
My job feels fairly insecure	11%	8%	11%	10%	8%	13%	12%	11%
My job feels very insecure	4%	5%	7%	5%	4%	8%	7%	5%
Don't know	2%	1%	2%	3%	1%	2%	2%	2%
Very/fairly secure	*84%*	*86%*	*81%*	*81%*	*87%*	*77%*	*79%*	*82%*
Very/fairly insecure	*15%*	*13%*	*18%*	*16%*	*12%*	*22%*	*19%*	*16%*
Net % Feel Job Is Secure	**69%**	**73%**	**63%**	**66%**	**75%**	**56%**	**61%**	**66%**

Source: ASR Ltd, TNS

On balance, wages and hours worked are increasing … though benefits are not.

There are some positive signs when asked about their work experience. 24% say they have received a bonus or promotion at work. On balance wages and hours are increasing, although benefits are not. 38% say that their benefits have been decreased, or that they have to pay more for them.

Table 18: Over the last year, have any of the following affected you and your work? - Employment Situation

base=609, all in employment	% saying yes	% saying no
I have changed employers.	13%	87%
I have started a job after being unemployed.	11%	90%
I have received a bonus or promotion.	24%	76%

Source: ASR Ltd, TNS

Table 19: Over the last year, have any of the following affected you and your work? - Pay and Benefits

base=609, all in employment	Increased	Decreased	Net
My pay has been…	36%	16%	**20%**
My benefits have been…	7%	38%	**-31%**
My hours have been…	30%	17%	**13%**

Source: ASR Ltd, TNS

II. Financial Security, Saving, and Retirement

Financial Security

- **Financial anxiety has not significantly eased at any point since 2010.**
- **Concern over finances is high, and respondents rate their financial situation as precarious.**
- **Despite this, all optimism is not lost. 34% expect to be "better off" next year, which is the most hopeful respondents have been in a long time.**

Worry seems universally shared among respondents – no matter how we "cut" the respondents into groups, it seems nearly everyone worries.

Table 20: Do you worry about your financial situation?

base=1,001	Jun 2010	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
A lot	36%	33%	37%	35%	37%	37%
A little	54%	57%	51%	54%	50%	51%
Not at all	10%	10%	12%	11%	12%	10%
Don't know	0%	0%	1%	1%	1%	2%
Worry "a lot" or "a little"	*90%*	*90%*	*88%*	*89%*	*87%*	*88%*
Net % Worry About Finances	**80%**	**80%**	**76%**	**78%**	**75%**	**78%**

Source: ASR Ltd, TNS

On a personal level, respondents rate their financial position as precarious, with 34% saying they are worse off than a year ago. But despite the lack of progress made over the last year, optimism for the future remains. 34% say they anticipate being better off in a year – which is the most hopeful they have been since 2010.

Table 21: Would you say that you are better or worse off financially than a year ago?

base=1,001	Jun 2009	Jan 2010	Jun 2010	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
Better off	19%	19%	23%	24%	20%	23%	21%	20%
Worse off	44%	40%	37%	29%	35%	30%	32%	34%
About the same	37%	40%	40%	46%	44%	47%	47%	45%
Don't know	0%	1%	1%	1%	1%	1%	1%	2%
Net % Better Off Than A Year Ago	**-25%**	**-21%**	**-14%**	**-6%**	**-15%**	**-7%**	**-11%**	**-14%**

Source: ASR Ltd, TNS

Table 22: Do you think you will be better or worse off financially in a year's time?

base=1,001	Jun 2009	Jan 2010	Jun 2010	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
Better off	36%	36%	33%	30%	25%	29%	28%	34%
Worse off	15%	13%	14%	15%	20%	15%	17%	16%
About the same	40%	38%	44%	46%	43%	44%	41%	39%
Don't know	10%	13%	10%	9%	12%	12%	13%	12%
Net % Think Will Be Better Off	**21%**	**23%**	**19%**	**15%**	**5%**	**13%**	**11%**	**18%**

Source: ASR Ltd, TNS

We would note that this survey was taken shortly after the 2% payroll tax increase began to bite. Higher taxes are now the primary concern of 16% of respondents. This is second only to higher inflation, and up sharply from 9% in the last wave.

Table 23: Which one of the following worries you most at this time?

base=1,001	Jun 2010	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
Higher taxes	14%	11%	11%	11%	9%	16%
Drop in income (e.g. lower wages, investment income or benefits)	14%	12%	14%	11%	11%	8%
Unemployment	15%	15%	13%	17%	12%	14%
A rise in the cost of living (higher inflation)	28%	36%	39%	38%	34%	25%
Having insufficient savings	22%	18%	16%	16%	13%	15%
The cost of healthcare					13%	14%
None of these	5%	6%	6%	6%	5%	5%
Don't know	1%	2%	2%	1%	2%	4%

Source: ASR Ltd, TNS

Attitudes Toward Saving

- **Positive wealth effects from the upturn in the housing market have not shifted risk appetite.**
- **Opinions are mixed as to the safety of Treasury Bonds. Around a third of respondents view them as a risky investment.**

The majority of respondents are managing to make ends meet. It seems that spending habits have been reined in during the last few years. In 2009, 28% were spending more than they earnt - now only 17% do. Few believe they are saving enough though.

Table 24: Which one of the following statements best describes your current financial situation?

base=1,001	Jun 2009	Jan 2010	Jun 2010	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
I spend more than I earn	28%	27%	15%	14%	13%	11%	14%	17%
I spend what I earn (make ends meet)	35%	33%	54%	49%	51%	53%	51%	55%
I spend less than I earn	36%	38%	28%	34%	33%	33%	32%	25%
Don't know	1%	1%	3%	3%	3%	3%	3%	4%
Net % Spend Less Than Earn	**8%**	**11%**	**13%**	**20%**	**20%**	**22%**	**18%**	**8%**

Source: ASR Ltd, TNS

Table 25: Generally speaking, do you think you are saving enough?

base=1,001	Jun 2009	Jan 2010	Jun 2010	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
I am saving too little	76%	77%	76%	71%	72%	72%	71%	72%
I am saving enough	21%	20%	16%	20%	18%	20%	20%	18%
I am saving more than I need to	1%	1%	2%	2%	3%	3%	2%	2%
Don't know	2%	3%	6%	7%	8%	6%	7%	7%
Net % Saving Too Little	**75%**	**76%**	**74%**	**69%**	**69%**	**69%**	**68%**	**70%**

Source: ASR Ltd, TNS

The positive effects from the housing market mentioned in a previous section have not shifted shifted risk appetite. Rather, it seems risk aversion is on the rise. About half of respndents say they are not prepared to take any risks with their savings. Only 26% will take any risk at all – a figure that is 10% lower than it was at the height of the financial crisis.

Table 26: Which of these best describes your view about your savings?

base=1,001	Jun 2009	Jan 2010	Jun 2010	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
I am not prepared to take risks with my savings	40%	40%	45%	45%	50%	47%	48%	49%
I am prepared to take substantial risks or to accept occasional losses	37%	36%	36%	36%	28%	30%	29%	26%
None of the above	17%	17%	14%	14%	16%	16%	18%	18%
Don't know	6%	7%	4%	5%	6%	7%	5%	7%
Net % Prepared to Take Risks / Accept Losses	**-3%**	**-3%**	**-9%**	**-10%**	**-23%**	**-17%**	**-19%**	**-22%**

Source: ASR Ltd, TNS

Attitudes toward the safety of Treasuries are mixed. While the percentage of respondents who "*don't know*" is high (36% - an interesting finding in itself), it is only by a fairly narrow margin that Treasuries are seen as safe.

It is only by a fairly narrow margin that Treasury bonds are seen as safe.

This perception of safety is affected by risk appetite. For investors with little risk appetite, only 33% see Treasuries as a safe investment; while 53% of investors who are prepared to take risks view them as a safe investment.

Investors who are risk averse are divided as to whether Treasury bonds are a safe investment.

Table 27: At this time, do you think U.S. government Treasury bonds are...

base=1,001	All Respondents	Those Not Willing To Take Risks	Those Willing to Take Risks
A very safe investment	10%	9%	17%
A fairly safe investment	25%	25%	36%
A somewhat risky investment	15%	16%	17%
A very risky investment	15%	17%	10%
Don't know	36%	34%	20%
Total % Say Safe	*35%*	*33%*	*53%*
Total % Say Risky	*30%*	*33%*	*27%*
Net % Say Safe	**5%**	**0%**	**26%**

Source: ASR Ltd, TNS

When asked whether they would invest in stocks or bonds right now, 57% of respondents would choose neither, or they don't know - a surprisingly high finding.

Opinions vary when we divide respondents by risk appetite. 54% of those with an appetite for risk would invest in stocks - only 13% would invest in bonds.

These answers suggest how paralyzing risk avoidance can be; we find that those with a higher appetite for risk are also less unsure about investing. In this case only 33% who don't know or are unsure where they would invest, compared to 63% of those risk averse.

Respondents seem genuinely unsure as to where they would invest.

Table 28: If you had some money to invest, would you be more inclined to invest in the stock market or the bond market at this time?

base=1,001	All Respondents	Those Not Willing To Take Risks	Those Willing to Take Risks
In the stock market	28%	21%	54%
In the bond market (e.g. U.S. govt-backed Treasury bonds)	15%	17%	13%
Neither	35%	38%	20%
Don't know	22%	23%	13%

Source: ASR Ltd, TNS

Retirement

- **Respondents are certain of retirement in their early 60's. Baby Boomers are more willing than other age groups to admit to postponing retirement; but this is not the view of the majority.**
- **Equities are not seen as a vehicle for savings – only 38% view long-term investment in the stock market as as a good way to save for retirement.**

Table 29: At what age are you planning to retire?

base=900, those not already retired	Jun 2009	Jan 2010	Jun 2010	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
Before I am 60	15%	15%	13%	12%	14%	13%	11%	16%
In my 60s	42%	45%	43%	45%	42%	43%	39%	39%
After I am 70	13%	10%	13%	15%	14%	14%	15%	14%
Don't know	26%	28%	28%	27%	28%	27%	30%	27%
Average Retirement Age	**64**	**63**	**64**	**64**	**64**	**64**	**64**	**63**

Source: ASR Ltd, TNS

Those closest to retirement, the Baby Boomers, are more likely than other age groups to have pushed back when they expect to retire.

Table 30: Have you postponed the age at which you are likely to retire?

base=872, those not already retired and have worked	All respondents	Gen Y (25-34)	Gen X (35-49)	Boomers (50-65)
Yes	25%	13%	22%	35%
No	45%	44%	45%	45%
Too early to say / don't know	31%	43%	33%	20%
Net % Say Yes	**-20%**	**-31%**	**-23%**	**-10%**

Source: ASR Ltd, TNS

Table 31: Do you think making long term investments in the stock market is a good way to save for your retirement?

base=872, those not already retired and have worked	All respondents	Gen Y (25-34)	Gen X (35-49)	Boomers (50-65)
Yes	38%	30%	42%	39%
No	35%	36%	36%	33%
Don't know	27%	35%	22%	28%
Net % Yes	**3%**	**-6%**	**5%**	**6%**

Source: ASR Ltd, TNS

Table 32: Thinking about the children of your generation, how do you think their standard of living will compare with yours when they are your age?

base=1,001	Jun 2010	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
A lot/ little better	*27%*	*26%*	*19%*	*21%*	*20%*	*19%*
A lot/ little worse	*38%*	*41%*	*46%*	*43%*	*47%*	*46%*
Net % Think Better	**-11%**	**-15%**	**-28%**	**-22%**	**-27%**	**-27%**
Don't know	10%	12%	17%	15%	13%	16%

Source: ASR Ltd, TNS

III. Special Topic: Economic Assessment

- **Regardless of political affiliation, respondents rate the performance of economic policymakers as poor.**
- **There is no way to avoid the bleak assessment of the U.S. economy More believe the economy to be in a depression than think it is stable.**

Economic policymakers fare poorly in this survey. It is perhaps not surprising that 91% of Republicans and 77% of Independents think policymakers in Washington have done a bad job. What might be surprising is that 64% of Democrats share that view.

Table 33: How good a job do you think policymakers in Washington have done of managing the US economy over the past 12 months?

base=1,001	All Respondents	Democrat	Republican	Independent
A very good job	2%	4%	0%	1%
A fairly good job	11%	21%	5%	11%
A fairly poor job	23%	29%	20%	21%
A very bad job	53%	35%	72%	56%
Don't know	12%	10%	3%	11%
Total % Say "Good" Job	13%	26%	5%	12%
Total % Say "Bad" Job	75%	64%	91%	77%
Net % Say "Poor Job"(% Poor - % Good)	**62%**	**39%**	**86%**	**65%**

Source: ASR Ltd, TNS

57% of respondents think that the Administration should try to reduce federal debt levels faster than is currently planned; only 6% think debt reduction should be slowed down. 79% of those affiliated with the Republican Party are the keenest to speed up debt reduction, while Democrats are the most likely to think the Administration has it "*about right*".

Table 34: What is your attitude toward reducing U.S. government debt?

base=1,001	All Respondents	Democrat	Republican	Independent
The Administration should aim to reduce debt faster than is currently planned.	57%	46%	79%	56%
The Administration's plan to reduce debt is about right.	12%	26%	5%	10%
The Administration should plan to reduce debt more slowly.	6%	7%	4%	8%
Reducing government debt should not be a priority at the current time.	6%	7%	4%	8%
Don't know	19%			

Source: ASR Ltd, TNS

We also note that a respondent's view on the pace of federal debt consolidation plays out in their opinion of the safety of Treasury bonds. Those who think plans to reduce debt levels should be undertaken more quickly are twice as likely to see risk in Treasuries as those who think the pace is "about right".

Table 35: Federal Debt and Treasury Safety			
base=1,001	All respondents	Debt should be reduced faster	Pace of debt reduction is about right
Treasury bonds are a safe investment.	35%	38%	49%
Treasury bonds are a risky investment.	30%	36%	18%
Net % Say Safe	**5%**	**2%**	**31%**

Source: ASR Ltd, TNS

There is no way to avoid the bleak assessment of the U.S. economy.

More think the economy is in a depression than think it is stable!

But is economic interpretation subject to political affiliation?

There is no way to avoid the bleak assessment of the U.S. economy. 31% believe the economy to be in a recession; another 16% believe it is in depression – that is more than the 14% who see the economy as stable…

Further investigation of this question suggests that economic interpretation might be subject to political affiliation. Although no political party is positive about the state of the economy (somewhat surprising when real economic growth in the last year was around 2%), Republicans are much more likely than others to believe the economy is in a recession (44%, compared to 29% of Independents and 21% of Democrats). Likewise, 24% of Democrats think the economy is growing, compared to only 14% of Independents and just 7% of Republicans.

Table 36: At this time, which of the following statements about the U.S. economy do you most agree with?				
base=1,001	All Respondents	Democrat	Republican	Independent
The economy is booming.	0%	1%	0%	0%
The economy is growing.	14%	24%	7%	14%
The economy is stable.	14%	18%	11%	14%
The economy is slowing.	16%	21%	15%	17%
The economy is in a recession.	31%	21%	44%	29%
The economy is in a depression.	16%	6%	21%	20%
None of the above	2%	2%	1%	1%
Don't know	8%	6%	3%	5%
% See Growth (Booming / Growing)	*14%*	*25%*	*7%*	*14%*
% See Slowing (Slow/Recession/Depression)	*63%*	*49%*	*79%*	*66%*
Net % See Growth	***-48%***	***-23%***	***-72%***	***-52%***

Source: ASR Ltd, TNS

What are the critical characteristics that shape views on the economy?

Income and education matter, but don't fully explain the difference in economic assessment.

A respondent's experience with housing plays a role - especially whether or not they are underwater on their mortgage.

With opinions of the economy differing so much by political party, we wondered how far these differences might go. What are the characteristics that might be critical in shaping a respondent's view of the economy?

To do this, we grouped all respondents into two groups: those who think the economy is slowing, in a recession or in a depression (63% overall), and those who think the economy is booming, growing – or at least stable (28% overall).

One important factor shaping the view **is income, both household and personal.** We found greater variation at the top of the income distribution than the bottom. Economic optimists are more likely to be in a household with an income of more than $75,000 – below that level, there is no significant variation in views on the economy. The **second key difference is a respondent's level of education**, with college graduates much more likely to see economic growth or stability.

A **third notable difference is the respondent's experience with housing**. It seems it is not an unrealized capital gain/loss on their house that matters, as both groups are equally likely to say their house is worth more than when they bought it (and both groups are equally likely to be homeowners and mortgage holders). Instead, it is the mortgage position that seems to matter more: 76% of those who see economic growth have a house worth more than its mortgage; only 57% of the other group can say the same. Those who think the economy is growing or stable are much more likely to think house prices will rise next year and much more likely to think house prices have risen over the last year. They are more likely to think now is a good time to buy a house, and more likely to advise buying over renting.

And even though debt profiles are generally the same, those who think the economy is slowing are much more likely to feel their debt burden is too high, and less likely to have made it through the financial crisis with an "*unchanged*" attitude towards debt.

It is also worth pointing out that neither age, geographic region, nor debt position seem to have much impact on respondents' experiences of the labor market, with responses showing little variation. Respondents across those variables also share the same financial concerns.

Table 37: Attitudes of Those Who Think The Economy is Growing vs Those Who Think it is Slowing, in a Recession or Depression

base=1,001

Statement	% agreeing with statement: Think economy is growing or stable	Think economy is slowing, in recession or depression	% Difference
The economy is booming, growing or is stable	100%	0%	+100%
The economy is slowing, in a recession or depression	0%	100%	-100%
House prices will rise over the next 12m	64%	31%	+33%
Treasury bonds are a safe investment	58%	29%	+29%
I will be better off next year.	51%	26%	+26%
Economic policymakers have done a poor job	61%	86%	-25%
Stocks are a good way to save for retirement	58%	33%	+25%
The Administration's plan to reduce debt is about right.	29%	6%	+23%
I *feel* less wealthy than average.	33%	55%	-22%
Children of the next generation will have a lower standard of living.	34%	55%	-21%
Have only a high school degree (or less)	24%	44%	-21%
Estimate total wealth at more than $40,000.	51%	30%	+21%
Generally affiliate with Democratic Party	41%	20%	+20%
House is worth more than mortgage (i.e. not underwater)	76%	57%	+19%
House prices in my area have risen in the last 12m.	45%	26%	+19%
Prepared to take risks with savings.	41%	22%	+19%
The Administration should reduce debt faster than currently planned.	48%	66%	-18%
I would invest money in the stock market (rather than bonds).	43%	25%	+18%
This is a good time to buy property.	68%	51%	+18%
I would advise buying (rather than renting).	78%	62%	+16%
My debt is too high relative to my income.	43%	57%	-13%
The financial crisis has not changed my attitude toward debt.	32%	19%	+13%
I am better off than last year.	28%	16%	+13%
My mortgage is underwater.	17%	29%	-12%

All differences shown are at a 99% confidence level. Source: ASR Ltd, TNS

IV. Demographic Data and Survey Methodology

Wealth Demographics

Table 38: Personal income

base=1,001	Jun 2010	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
My income is greater than $40,000	45%	46%	48%	50%	45%	50%
My income is less than $40,000	53%	52%	51%	49%	53%	46%
Don't know	0%	1%	1%	1%	1%	2%
I would rather not say	2%	1%	1%	1%	2%	2%
Do you think your income is higher or lower than average?						
A lot higher	4%	4%	5%	5%	4%	4%
A little higher	21%	22%	21%	23%	21%	21%
The same	23%	20%	22%	23%	22%	25%
A little lower	23%	25%	22%	19%	19%	23%
A lot lower	25%	25%	25%	25%	28%	22%
Don't know	4%	4%	5%	4%	6%	5%
A lot/ little higher	*25%*	*27%*	*26%*	*28%*	*25%*	*25%*
A lot/ little lower	*48%*	*49%*	*47%*	*45%*	*47%*	*45%*
Net % Think They Have Higher Income Than Average	**-23%**	**-23%**	**-21%**	**-17%**	**-22%**	**-20%**

Source: ASR Ltd, TNS

Table 39: Personal Wealth

base=1,001	Jun 2010	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
Worth more than $40,000	33%	39%	34%	35%	35%	34%
Worth less than $40,000	54%	49%	50%	53%	49%	50%
Don't know	8%	8%	10%	7%	11%	9%
I would rather not say	5%	4%	6%	5%	6%	7%
Thinking about everything you own (including all your savings, investments and property), do you think you are more or less wealthy than average?						
A lot more	3%	5%	2%	7%	5%	5%
A little more	18%	19%	17%	18%	19%	19%
The same	21%	22%	21%	23%	20%	21%
A little less	24%	20%	20%	18%	18%	19%
A lot less	29%	28%	32%	29%	32%	29%
Don't know	5%	5%	8%	6%	7%	8%
A lot/ little more	*21%*	*24%*	*19%*	*25%*	*23%*	*24%*
A lot/ little less	*53%*	*49%*	*52%*	*47%*	*50%*	*47%*
Net %Feel Wealthier Than Average More Than Average	**-32%**	**-25%**	**-32%**	**-22%**	**-27%**	**-23%**

Source: ASR Ltd, TNS

Table 40: Household Income

base=1,001	Jan 2011	Jul 2011	Feb 2012	Aug 2012	Feb 2013
Less than $30,000	21%	19%	19%	19%	19%
$30,000 - $49,999	18%	19%	19%	19%	19%
$50,000 - $75,000	22%	21%	21%	21%	21%
Greater than $75,000	39%	42%	42%	42%	42%

Source: ASR Ltd, TNS

General Demographics

Table 41: Personal Demographics				
base=1,001				
Age	**Jul 2011**	**Feb 2012**	**Aug 2012**	**Feb 2013**
25-34	21%	21%	21%	21%
35-44	26%	26%	26%	26%
45-54	28%	28%	28%	28%
55-65	25%	25%	25%	25%
Gender				
Male	47%	47%	47%	47%
Female	53%	53%	53%	53%
Working Status				
Employed in the private sector				37%
Employed in the public sector (e.g., government, military, publicly funded health or education)				15%
Not employed and not seeking work (e.g., stay at home parent/looking after the home/unable to work)	15%	15%	16%	15%
Self employed	6%	8%	7%	8%
Retired	10%	9%	10%	10%
Further education/student	3%	3%	3%	3%
Unemployed (seeking work)	8%	10%	10%	10%
Other	2%	1%	1%	2%
Historical – any employed (public or private, part or full)	*57%*	*54%*	*53%*	*52%*
Terminal age of education				
20+	55%	57%	53%	54%
Others	45%	44%	47%	46%
Level of Education Attained				
High school degree or less	40%	40%	40%	40%
Some college - no degree	18%	18%	18%	18%
Associate's degree	7%	10%	10%	10%
Bachelor's degree	22%	21%	21%	21%
Post-graduate degree	13%	11%	11%	11%
Regions				
New England / Mideast	18%	18%	18%	18%
Great Lakes	16%	16%	16%	16%
Plains / Mountain	14%	14%	14%	14%
South Atlantic	20%	20%	20%	20%
South Central	17%	17%	17%	17%
Far West	15%	15%	15%	15%

Source: ASR Ltd, TNS

Survey Methodology

This section of the report was provided by TNS who conducted the fieldwork for the survey.

About TNS

TNS advises clients on specific growth strategies around new market entry, innovation, brand switching and stakeholder management, based on long-established expertise and market-leading solutions. With a presence in over 80 countries, TNS has more conversations with the world's consumers than anyone else and understands individual human behaviours and attitudes across every cultural, economic and political region of the world. TNS is part of Kantar, one of the world's largest insight, information and consultancy groups, which is a wholly owned subsidiary of WPP Group Plc. Please visit www.tnsglobal.com for more information

Overview

Between January 25th and February 11th 2013, 1,001 adults aged between 25 and 65 and living in the US were surveyed about their spending and saving habits. This survey is the seventh wave in a series of surveys about consumer finances, spending, savings and investment behaviour. The table below shows how many interviews were achieved in each wave. Respondents took part in a CAWI (Computer Assisted Web Interviewing) survey; the sample was drawn based on the specifications used in the 2011 survey and was drawn from the TNS USA (now Kantar's Lightspeed Research) panel. Twenty two percent of those invited to take part in the survey responded. Quotas were set on age, gender, region, terminal age of education, income and education level. Rim weighting was applied at the analysis stage to ensure that the profile of the final sample was as representative as possible.

Table 42: The number of interviews achieved in each wave

	January 2011	July 2011	February 2012	August 2012	February 2013
Number of interviews	1,001	1,004	1,000	1,004	1,001

Source: TNS

Methodology and Sample Design

CAWI: An online methodology was used to conduct this survey as web surveys offer a quick and convenient way of interviewing populations from different countries.

Source of the sample: In order to maintain comparability with previous surveys, the sample was sourced in as similar a way as possible. The acquisition of TNS by WPP and the integration of TNS's research capabilities within the Kantar Group meant that the sample was sourced from the TNS USA research panel which is part of Kantar's Lightspeed Research panel. TNS is part of the Kantar Group which is the research arm of WPP. Lightspeed Research operates an online panel which covers Asia Pacific, Europe and North America; this provides a convenient source of sample for surveys. Lightspeed Research operates high quality panels, thus ensuring that the samples obtained are as of good a quality as possible and that survey results are robust. This is done through a variety of measures including the way in which the panels are recruited, panellist lifecycle, incentives and panel cleaning.

Recruitment: Lightspeed Research work in partnership with both broad-reach portals and special interest sites, resulting in a diversity of panelist profiles. These partnerships enable them to target-recruit hard-to-reach source groups when required. Panelists are recruited to the Lightspeed Consumer Panels through several methodologies including opt-in email, co-registration, traditional banner placements, and internal and external affiliate networks. Each prospective panelist must provide demographic and household information in our registration survey, pass through the Lightspeed RealRespondents data quality checkpoints, agree to the country-specific Terms and Conditions and Privacy Policy, and confirm their email address through a double opt-in registration process.

Panelist lifecycle: Lightspeed closely monitor the life of each panelist from recruitment, to activity level, to ongoing profiling — ensuring effectiveness and usability. Their deep panel profiling program is ongoing, and the frequency of data refreshment is dependent on the time sensitivity of the data.

Panel cleaning: Lightspeed panels are regularly cleaned to provide clients with only engaged, responsive survey participants. Panelists are removed from the panel for a variety of reasons, including: fraudulent survey activity, inactivity, opt-out request, email bounce (hard and soft).

Limitations of online research: The main limitation of conducting surveys online is that not all people have access to the internet. This is not critical for some areas of research, but we believe that for a survey about attitudes towards spending and saving, we might find that a conservative attitude towards new technologies, is linked to caution towards some spending and savings habits.

Inevitably on-line panels tend to have a bias towards younger and more professional members of the general public. However, the size and quality of the panel which TNS operate limits this possible bias. Additionally, rigorous sampling and the setting of quotas on the survey also counteract this bias, ensuring that the sample which we end up with is as high quality and representative as possible.

Method of Drawing the Sample: As the panels are comprised of people whose key demographics are already known, we ensured that the sample selected was representative by selecting it on the basis of available socio-demographic data, with the aim of matching the sample to the population on these characteristics. When drawing the sample age, gender, region and level of education were taken into account.

Quotas: To ensure that the final sample obtained was as representative of the U.S. population as possible, quotas based on U.S. government statistics which related to gender, age, region, terminal age of education, income and level of education were set.

Analysis

Corrective Weighting: To ensure that the final results were representative of the population within the US (of adults aged 25-65 years), rim weighting was applied.
The table to the right shows the weighting targets used for age, gender, income, terminal age of education and region of residence.

Table 43: Corrective weighting applied

		Corrective Weight
Gender	Male	47%
	Female	53%
Age	25-34	21%
	35-44	26%
	45-54	28%
	55-65	25%
Education Level	Grade school / Some High School/ Graduated High School	40%
	Some College (no degree)	18%
	Graduated College or above	42%
Household Income	<$30,000	19%
	$30,000-$49,999	19%
	$50,000-<$75,000	21%
	$75,000+	42%
Region*	New England (CT, ME, MA, NH, RI, VT)	5%
	Mid Atlantic (NY, NJ, PA)	13%
	East North Central (WI, IL, MI, IN, OH)	16%
	West North Central (IA, KS, MN, MO, ND, SD, NE)	7%
	South Atlantic (DE, FL, GA, DC, MD, SC, NC, VA, WV)	20%
	East South Central (KY, TN, MS, AL)	6%
	West South Central (TX, OK, AR, LA)	11%
	Mountain (AZ, CO, ID, MT, NV, NM, UT, WY)	7%
	Pacific (WA, OR, CA, AK, HI)	15%

* Regions (quotas were set at this regional level but some regions were grouped up for weighting purposes) Source: TNS

Reliability of Findings: For a random sample with an unweighted base of 1,000 the confidence interval (at a 95% level) is ±2-3%. This means that we can be sure (to 95% reliability) that the true percentage figure for a result in one surveyed country of say 40% lies somewhere between 37% and 43%.

The table at right shows the confidence intervals for different percentages at various sample sizes.

Table 44: Reliability of Findings - Confidence Intervals

Sample size	10% or 90%	20% or 80%	30% or 70%	40% or 60%	50%
100	±6	±8	±9	±10	±10
500	±3	±4	±4	±4	±4
1,000 (total sample per wave)	±2	±2	±3	±3	±3

Source: TNS

Additional Information

Survey Background

This is the eighth in a series of proprietary surveys commissioned by Absolute Strategy Research to provide our clients with insight into U.S. consumer finances. Fieldwork for this wave was conducted January 25th – February 11th.

First launched in June 2009 and conducted biannually, each survey analyzes the responses from 1,000 Americans of working age. The questions explore respondents' financial security; their saving, borrowing and access to credit; and their views on housing and retirement. The questionnaire goes beyond a typical "consumer confidence" survey because it attempts to explore the motivations behind and the perceptions of saving and borrowing decisions. We hope it complements the less-timely household balance-sheet data found in the U.S. National Accounts.

About Absolute Strategy Research (ASR)

ASR is an independent provider of economics and strategy research, serving institutional clients around the world. Founded in 2006, by David Bowers and Ian Harnett, ASR brings together one of Europe's most experienced teams of highly-ranked analysts across economics, strategy and sales.

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