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New polling suggests a tale of two holiday seasons **Wealthier Americans plan for a strong increase in holiday spending, while those less well off continue to pull back**

WASHINGTON, D.C., November 19, 2009 – As the holiday spending season begins in the aftermath of the worst recession in decades, new research released today reveals that concerns about personal finances and the country's economic future are still having a significant effect on American consumers' attitudes toward their planned holiday budgets, but that consumers generally plan to spend over 12% more than they did in 2008. The difference? Well-to-do Americans are feeling much less of a crunch.

Penn Schoen Berland conducted 1002 Internet interviews of American consumers from November 10-12, 2009. The margin of error is $\pm 3.1\%$, and larger for subgroups.

63% of American consumers say that their finances are in "not so good" or "poor" shape, which is the same rate as in 2008. But Americans are acclimating to the recession in terms of their planned holiday spending – while 2 in 3 (66%) say that the current economic situation will significantly or moderately affect their budgets, down 29% from last year. This difference is explained by wealthier Americans – among those earning more than \$70,000 per year, 22% say that their spending will be affected "significantly," versus 36% overall.

As a result, consumers' spending outlook is mixed. For the 2009 Holiday season, consumers plan to spend \$599, a 12% increase over 2008 (\$+65). Yet there is a major income disparity on planned holiday spending for 2009 relative to 2008. Americans earning more than \$70,000 a year plan to increase their holiday spending by a whopping 27% over last year, while those earning less than \$40,000 a year are reducing their spending from last year by 14%.

"It appears that there will be two separate holiday seasons celebrated this year," said Ethan Titelman, Vice President of Media & Entertainment Research at Penn Schoen Berland. "People in the upper income brackets are feeling flush again, and their spending plans reflect that. But many other Americans are still tightly constrained by the effects of the recession and don't see that ending any time soon."

Of the 40% who say that they'll spend less this holiday season, 52% say that one of their reasons is that they're trying to get out of debt or are not sure the worst of the recession is behind us – and 23% say that losing their job is at least part of the crimp in their budget. That recession hangover is true across income groups.

As consumers gear up to spend their holiday cash, the question is where they will head. This year, Americans are increasingly holiday shopping online. 49% say that they'll find the best deals online, an increase of 14% over 2008. Amazon.com is now the second-most popular holiday shopping destination, behind Wal-Mart, with wealthier Americans leading the way.

"Americans of all income brackets are moving to more online shopping," said Andrea Marker, Director of Video Game Research at PSB. "Americans are increasingly aware of the options and values available through e-commerce. And retailers are pushing past previous barriers. For example, 57% of respondents say that an offer of free shipping influences their purchase decisions."

As for what consumers will be looking for values on, clothing, gift certificates and toys are the most popular gift choices, as they were in 2008.

PSB's Holiday Gift Bag – Top Gifts for 2009	
<i>Star Trek</i> or <i>Transformers: Revenge of the Fallen</i> DVDs	Fragrances like Chanel No. 5 or Obsession for Men by Calvin Klein
Video games like <i>Wii Fit 2</i> or <i>Call of Duty: Modern Warfare 2</i>	Toys like Barbie or the Hot Wheels Turbo Driver
A smartphone, like a Blackberry or the iPhone	Clothes from a big box store or discount department store
Make-up from Cover Girl or Maybelline	Gift certificates to a mass merchandiser store or restaurant

With consumers struggling to get into the holiday spirit, respondents were also asked to choose from a list of public figures to determine who's been nice and who's been naughty in 2009. Respondents deem Sandra Bullock, Taylor Swift and Jennifer Hudson as especially deserving of holiday generosity this year, but they think that Kanye West, Jon Gosselin, David Letterman and Chris Brown should receive healthy servings of coal.

"Americans are clearly saying that men who mistreat women are their leading candidates for some good old-fashioned holiday scorn," said Emily Colligan, Director of Magazine Research at PSB. "Meanwhile, consumers see women who've proven their grace under fire as worthy of special celebration this holiday season."

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PSB's Holiday Spending Survey contains detailed information about Americans' gift-giving plans for the 2008 season. More detailed information is available for the following categories:

- Clothing & Accessories
- Computers
- Electronics
- Gift Certificates
- Health & Beauty Products
- Movies
- Music
- Toys
- Video Games

About Penn Schoen Berland

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