

SOURCE: [directiveanalytics](#)

CONTACT INFORMATION:

Eileen Anderson
Managing Director
1-203-855-8550 x114
Directive Analytics
64 Wall St. Suite 200
Norwalk, CT 06850

October 6, 2005

Insecurity over the Economy Threatens Holiday Spending, Luxury Goods Purchases, and Foreign Travel

61% of Americans feel less secure about the economy today than they did a year ago

[directiveanalytics](#): PUBLIC RELATIONS

Americans are less secure this year than they were last year, as indicated by 61% of Directive Analytics' online panelists in the September 2005 study. Only 6% feel more secure today than they did last year.

The loss in perceived economic security has largely been driven by recent U.S. events that have had a more immediate and personal impact on lives. Those feeling less secure about today's economy are primarily influenced by gasoline prices (87%), Hurricane Katrina and its aftermath (70%) and the projected costs of home heating oil and natural gas (61%).

Political policy is another driving factor behind the recent decrease in economic security. Among those feeling less secure, President Bush's economic policies and the war in Iraq have "a lot of influence" on their opinion of the economy (63% and 62%, respectively).

Compared to one year ago, respondents anticipate more conservative spending and traveling. Sixty-three percent of Americans say that they are *less* likely purchase luxury items, such as designer clothing or accessories, 62% are less likely to plan a vacation to a foreign country, and 58% are less likely to "splurge" on Holiday shopping. Anticipated fiscal restraint exists even among higher income consumers. Among those with annual incomes in excess of one hundred thousand dollars, 49% are *less* likely to purchase luxury items and 47% are less likely to plan a foreign vacation or "splurge" on Holiday spending.

Likely due to the recent increases in gas prices, 28% of Americans are *more* likely to investigate buying or leasing a hybrid car compared to one year ago. Those likely to consider a hybrid car are less secure about the economy than those who are equally or less interested in the vehicle than they were one year ago (71% vs. 57% respectively).

Despite low levels of security and reduced personal spending and “splurging,” 65% of Americans have made contributions to charity in support of Hurricane Katrina or Hurricane Rita’s victims. A majority of these contributions have gone towards the American Red Cross (63%). Contributions have also been made to the Salvation Army (19%), Humane Society of the United States (9%), Catholic Charities, USA (7%), Feed the Children (4%), and others.

Survey Methodology

An online questionnaire of approximately 15 minutes in length was fielded using a random national sample of Directive Analytics online panel members. The surveys were conducted between September 26-30, 2005. A total of 1,081 interviews were completed among adults 18 years and older. For results based on the total sample of 1,081 adults, at 95% confidence, the sampling error is +/- 4%.

About Directive Analytics

Directive Analytics is a full service Marketing Research company, located in Norwalk CT. Independently owned and operated; we have been in business for four years. With over forty years of cumulative market research and consulting experience, DA’s senior management is comprised of executives who have previously served at Millward Brown, TNS, Harris Interactive, The Gallup Organization and Greenfield Online. We provide our clients with top-notch market research and consulting expertise combined with hands-on involvement typical of smaller research organizations. For more information please visit our website www.directiveanalytics.com or email us at info@directiveanalytics.com.