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## **Maine Consumer Confidence Low and Drops Lower**

**Maine consumers remain pessimistic; 45% are worse off than a year ago, only 22% expect to be better off next year.**

(Portland) Market Decisions has released its most recent Consumer Confidence indices on its website, [www.marketdecisions.com](http://www.marketdecisions.com).

Three consumer confidence indices are down and one is up slightly as compared with October 2009.

- Index of Consumer Sentiment for Maine is at 58.3, down from 62.0 in October 2009 and well below its historic high of 104.4 on April 2000.
- Index of Consumer Sentiment for the US is at 65.6, up from 64.9 in October 2009 and well below its historic high of 104.7 in April 2000.
- Index of Current Conditions is at 61.2, down from 64.0 in October 2009 and well below its historic high of 115.6 in April 2000.
- Index of Consumer Expectations is at 56.6, down from 61.1 in October 2009 and well below its historic high of 96.1 in April 2000.

While Consumer Confidence has rebounded from the historic lows of April, July and October 2008, it remains low. For four straight quarters, April 2009, July 2009, October 2009 and January 2010 consumer confidence has shown little sign of improvement.

- Almost half of Mainers (45%) say they are worse off than a year ago. Only one in five (22%) expect to be better off in the next year.
- More than half of Mainers expect Maine (61%) and the country as a whole (44%) to have bad times financially in the next 12 months.
- More than half of Mainers (53%) expect periods of widespread unemployment and depression in the next five years.

After some evidence of improvement, consumer spending dropped again.

*“With the end of federal incentives for automobile purchases, interest in major purchases has waned,”* commented Curtis Mildner, President of Market Decisions. *“Already slow sales of big ticket items will remain so.”*

Only 35% of Mainers say now is a good time to make a major purchase, compared with 42% this past October and the historic high of 85% in July 2000.

<b>AM WORSE OFF financially than <u>a year ago</u></b>						
April 2008	July 2008	October 2008	April 2009	July 2009	October 2009	<b>January 2010</b>
55%	55%	57%	54%	46%	48%	<b>45%</b>

Historic low: 19%, April 2000

<b>WILL BE BETTER OFF financially <u>a year from now</u></b>						
April 2008	July 2008	October 2008	April 2009	July 2009	October 2009	<b>January 2010</b>
19%	12%	21%	30%	23%	27%	<b>22%</b>

Historic high: 37%, October 2003

<b>Expect the COUNTRY AS A WHOLE to have BAD TIMES financially</b>						
April 2008	July 2008	October 2008	April 2009	July 2009	October 2009	<b>January 2010</b>
73%	73%	72%	53%	56%	56%	<b>44%</b>

Historic low: 19%, July 2000

<b>Expect MAINE to have BAD TIMES financially in the NEXT 12 MONTHS</b>						
April 2008	July 2008	October 2008	April 2009	July 2009	October 2009	<b>January 2010</b>
73%	81%	76%	66%	53%	58%	<b>61%</b>

Historic low: 15%, July 2000

**COUNTRY AS A WHOLE in the next five years or so will have periods of widespread  
UNEMPLOYMENT or DEPRESSION**

April 2008	July 2008	October 2008	April 2009	July 2009	October 2009	<b>January 2010</b>
68%	65%	57%	54%	52%	57%	<b>53%</b>

Historic low: 30%, April 2000

**Now is a GOOD TIME for people to buy major household items**

April 2008	July 2008	October 2008	April 2009	July 2009	October 2009	<b>January 2010</b>
22%	25%	21%	39%	43%	42%	<b>35%</b>

Historic high: 85%, July 2000

**Market Decisions Survey Methodology**

These questions used to calculate the consumer confidence indices were posed to residents of Maine, 18 years of age and older, as part of Market Decisions' quarterly "Maine Survey." This survey has been ongoing since 1992 and provides a wide variety of proprietary consumer information for subscribers. Each quarter the survey also includes questions on current issues and the information from these surveys is released in the public interest.

The questions in this survey were fielded in the public interest and entirely at Market Decisions' expense. No other organization, public or private, provided financial or other support for this research.

Questions on consumer confidence were included in Market Decisions' most recent Maine Survey, which was conducted by telephone from January 20 to February 4, 2010 among 401 residents of Maine, eighteen years of age and older.

A survey of 401 Maine residents provides an overall statistical accuracy of +/- 4.9% at the 95% confidence level. This means that if the entire population of Maine residents age 18 and over were surveyed, we can expect results to be within 4.9% of the results of the 400-sample survey.

Market Decisions, based in Portland, Maine, is a full service custom research firm that has been serving Maine, New England and national clients since 1977.

**About the Consumer Confidence Questions**

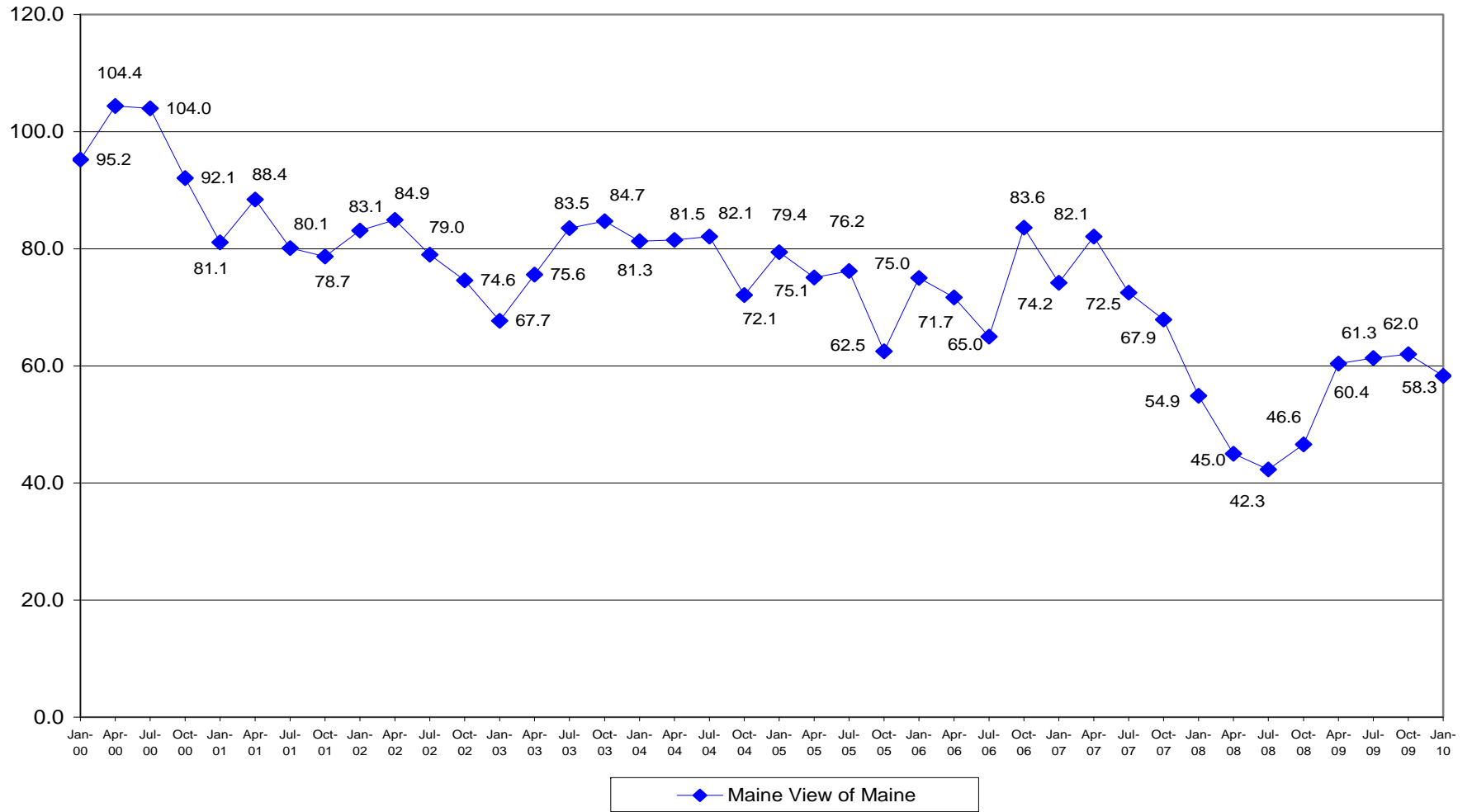
The consumer confidence questions in the Maine Survey are replicates of the consumer confidence questions used to create the consumer confidence index published monthly by the University of Michigan. These consumer confidence measures were devised in the late 1940's by George Katona at the University of Michigan. The measures have now developed into an ongoing nationally representative survey based on telephonic household interviews.

The Index of Consumer Expectations focuses on three broad areas:

1. How consumers view prospects for their own financial situation
2. How they view prospects for the general economy over the near term
3. Their view of prospects for the economy over the long term

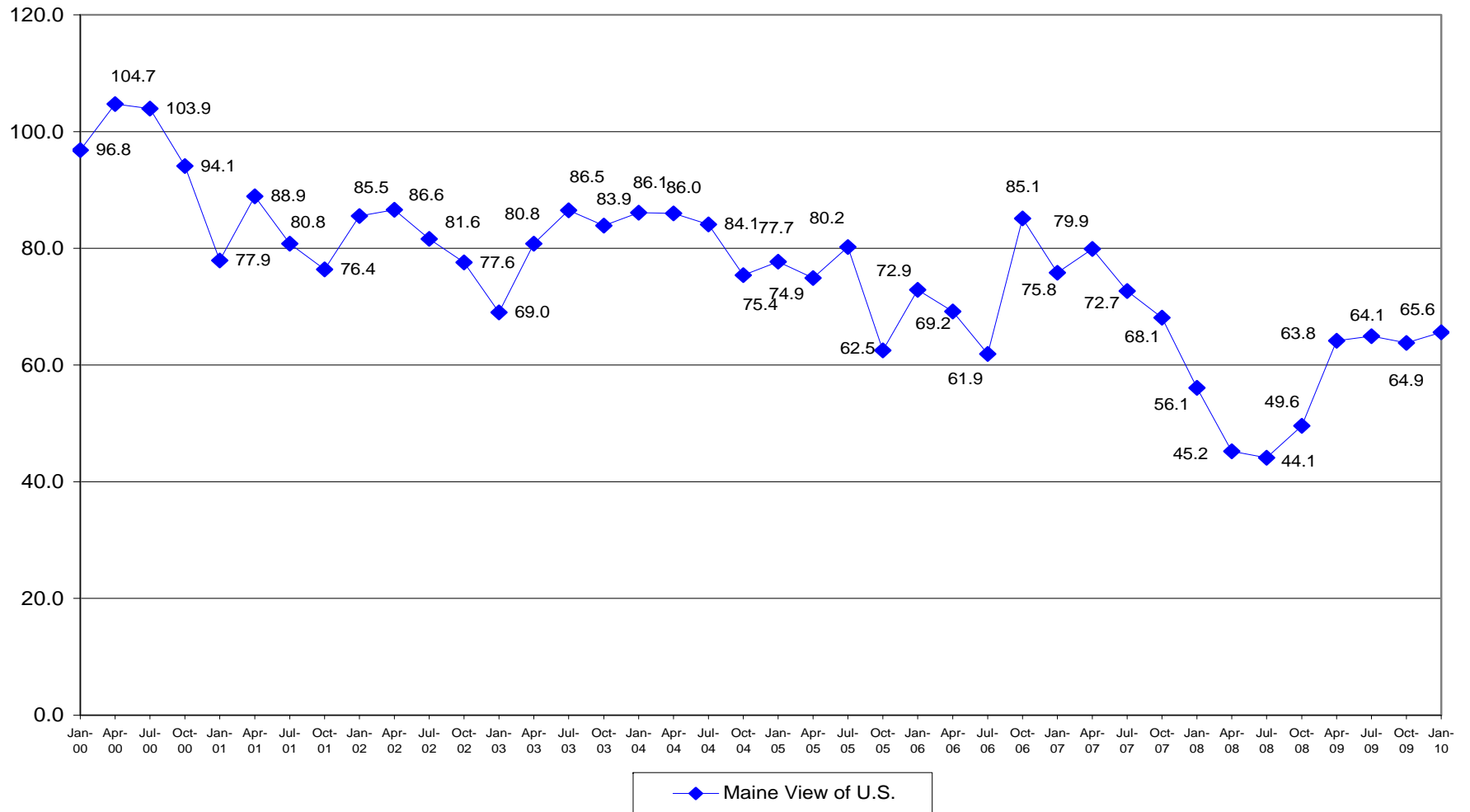
**+++Time series graphs are provided on the following pages+++**

## Consumer Sentiment for Maine



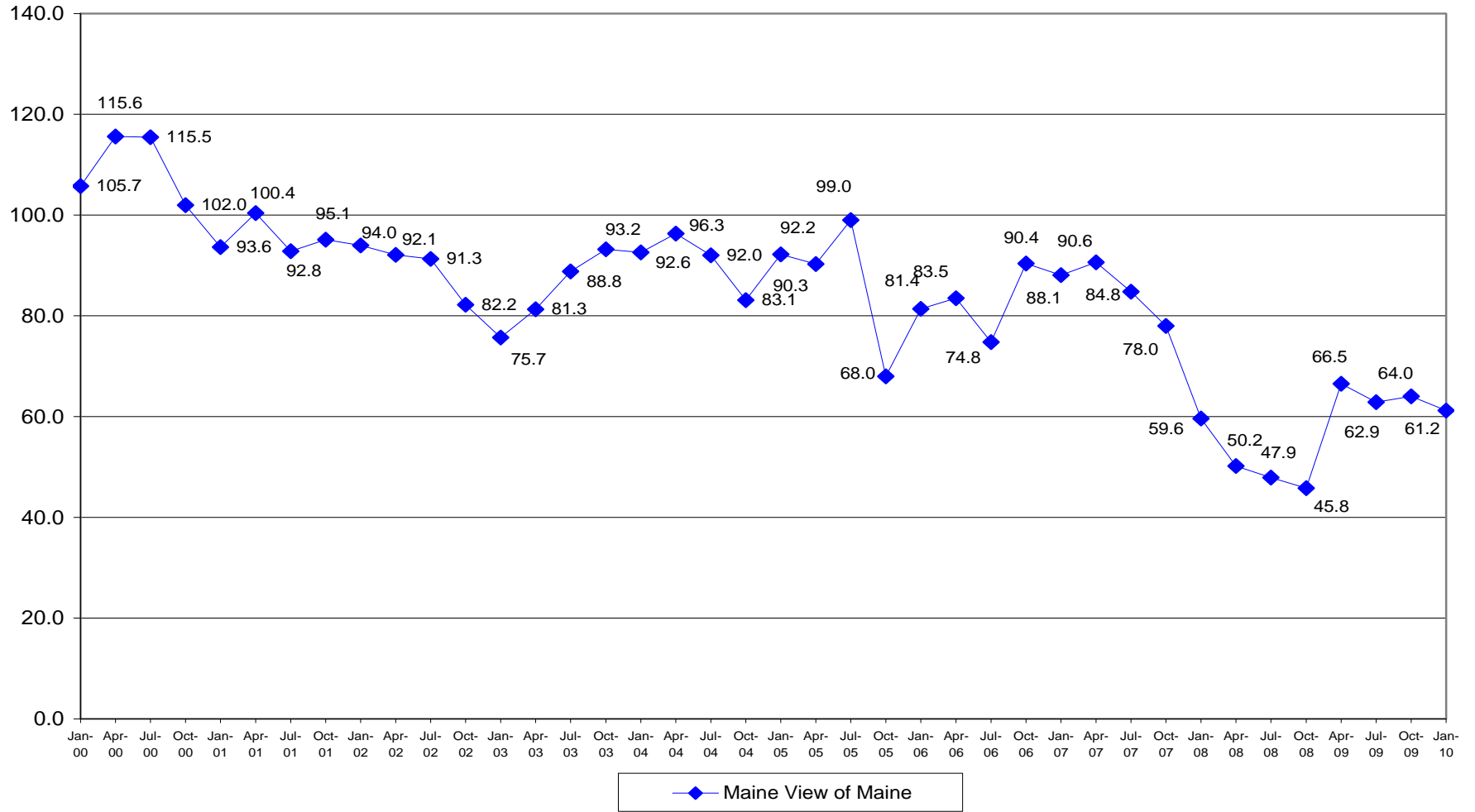
**The Index of Consumer Sentiment for Maine provides a general measure of consumer sentiment towards the economy in Maine and is used to measure consumer behavior.**

## Consumer Sentiment for the US



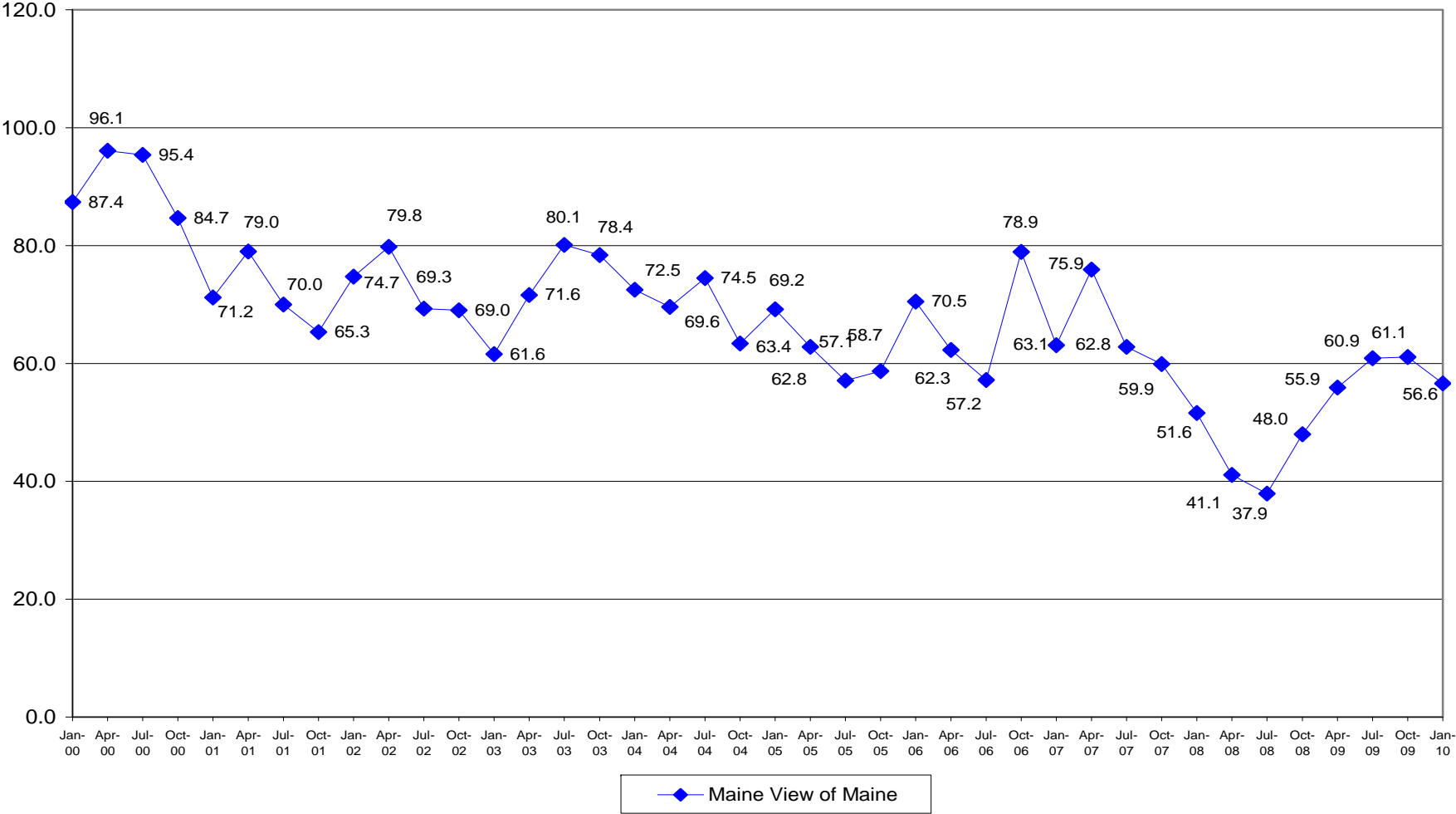
**The Index of Consumer Sentiment for the US provides a general measure of consumer sentiment towards the US economy and is used to measure consumer behavior.**

## Index of Current Conditions



**The Index of Consumer Conditions is more sensitive to what is already going on in the economy. It is intended to reflect consumer attitudes toward current economic conditions.**

### Index of Consumer Expectations



**The Index of Consumer Expectations provides a general measure of consumer sentiment about the economy in the future. The Index is generally thought to predict consumer-spending behavior six to nine months in the future.**