



THURSDAY, DECEMBER 18, 2008, 9:01 AM EST

CONSUMER CONFIDENCE HIGH IN D.C.
WASHINGTON BUSINESS JOURNAL - BY TIERNEY PLUMB STAFF REPORTER

Local consumers are nearly five times more upbeat about the regional economy than they are about the national economy, according to a new survey for the Greater Washington Board of Trade.

Almost 40 percent view the current regional economy in a positive light, while 8 percent have the same feelings about the U.S. economy as a whole.

The survey, conducted by Clarus Research Group, was sponsored by a grant from Tatum LLC. From Dec. 9 through Dec. 12, 1,200 local adults were surveyed for the report. The number was split evenly between adults in Virginia, Maryland and D.C.

"Despite current unease, 36 percent of greater Washington's consumers believe that the regional economy will improve over the next six months, and 27 percent believe that it will get worse," said Ron Faucheux, president of Clarus Research Group, a D.C.-based research firm.

"Despite the torrent of bad economic news and deep financial worries, many of the region's residents are looking to the future with a significant level of optimism," said Jim Dinegar, president and chief executive of the Board of Trade, which formed a new consumer confidence index that will be conducted twice a year.

With that said, regional residents are trimming back. According to the survey, only 8 percent plan to spend more this holiday season than they did last year and more than half (52 percent) said they will spend less on holiday gifts, travel, decorations, parties and dining out.

In terms of the area's job market:

- 64 percent say jobs are now scarce and hard to find
- 34 percent expect the job situation to improve during the next six months
- 35 percent see it staying the same

- 25 percent say it will get worse

In terms of living situations:

- 3 percent of the area's homeowners expect to try to sell their homes during the next six months
- 13 percent of renters in the region want to buy a home in the next six months
- 18 percent say they would like to, depending on real estate market conditions

The Board of Trade's baseline consumer confidence index for the entire region totaled 49. The future expectations part of the index, at 62, was much higher than the current conditions component of the index, which was at 36.

Northern Virginia areas had the highest index, at 53. The lowest, at 46, was found in the Maryland suburbs. D.C. was in the middle, at 51.

The Board of Trade's index, developed by Clarus, includes public perceptions of current economic and employment conditions and retail buying preferences, as well as future economic, employment and personal financial expectations.

Men expressed more consumer confidence than women, with an index value of 53 versus 46. Younger consumers are also more positive than older ones. The confidence index of 18-29-year-olds was 13 points higher than that for 30-49-year-olds, and nine points higher than for consumers 50 and over.

For full-time and part-time workers over the next six months:

- 77 percent expect to keep current job
- 14 percent expect a promotion
- 3 percent expect to lose their job
- 4 percent expect to quit their job

Over the next six months, respondents predict that their employer will:

- Retain the same number of employees that they have now (53 percent)
- Decrease staff numbers (24 percent)
- Boost employment (22 percent)

The Board of Trade said it will release the new surveys as quarterly reports, as well as biannual business outlook surveys of regional executives.