

# **March Consumer Spending and Saving**

A research report prepared for:



*March 21, 2011*

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GLOBAL RESEARCH PROTECTING BRANDS AND REPUTATION

# Research Method



- This research was completed online among a random sample of consumers aged 18+. A total of 2,045 interviews were completed.
- In addition to a general population sample, two sub-groups – Affluents, and Young Professionals were targeted and balanced by the general population.
  - n= 551: Affluents – defined as having a minimum annual household income of \$100,000
  - n= 517: Young Professionals – defined as less than 30 years of age, having a college degree, and a minimum annual household income of \$50,000
- Interviewing was conducted by Echo Research between March 1- 6, 2011.
- Overall the results have a margin of error of +/- 2.2 (or 4.2 among Affluents, and 4.3 among Young Professionals) percentage points at the 95% level of confidence.





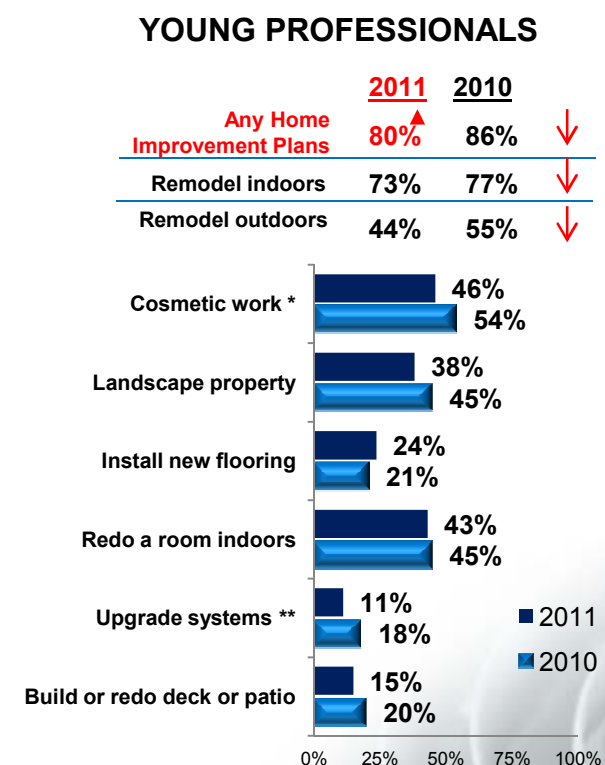
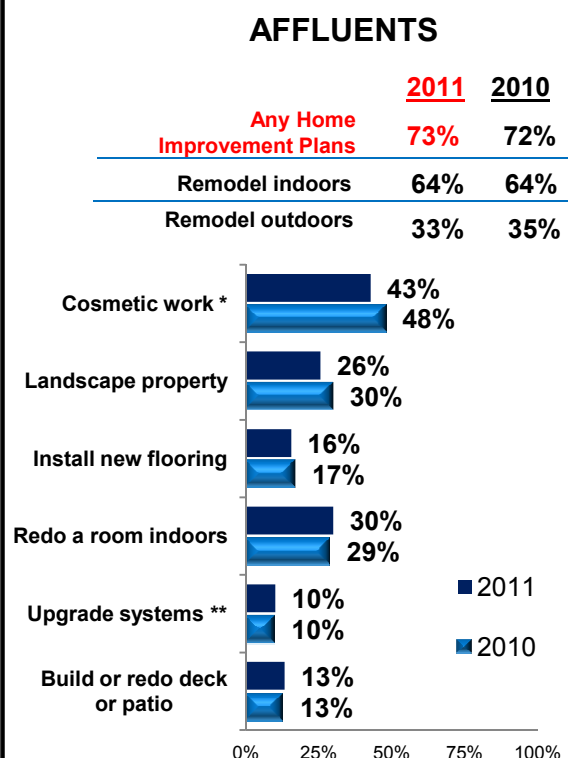
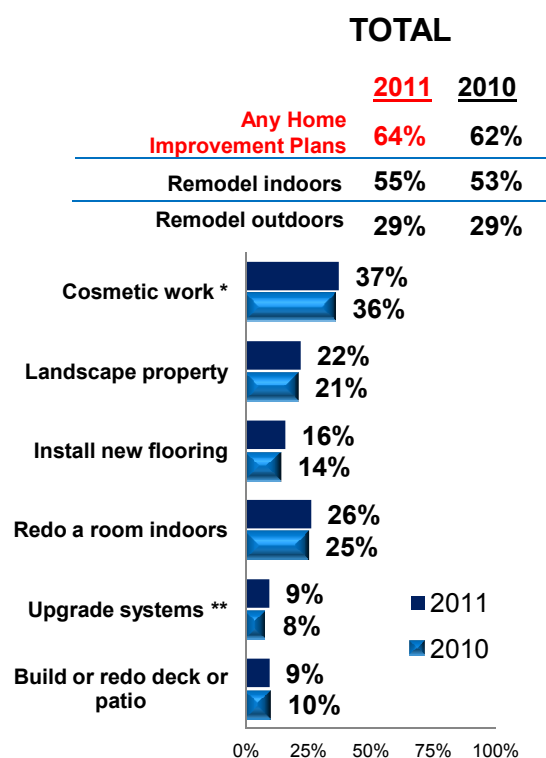
# HOME IMPROVEMENTS

# Plans for Home Improvements in 2011 versus 2010



The majority of homeowners among the general population have home improvement plans for 2011 – consistent with 2010 plans.

- Among homeowners, more Young Professionals than Affluents have plans for home improvements. However, among the Young Professional homeowners these plans have declined both indoor and outdoor.



Not shown: Less than 5% or less plan to build an additional room.  
T18. Which of the following home improvements do you have plans for in 2011?  
Base = Total homeowners

\* Cosmetic work, like painting, furniture, better organization

\*\* Upgrade systems such as electrical, heating, plumbing, etc.

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↑↓ Significantly higher or lower in 2011 versus 2010.  
▲ Significantly higher than (Affluent/Young Professional) segment at the 95% confidence level

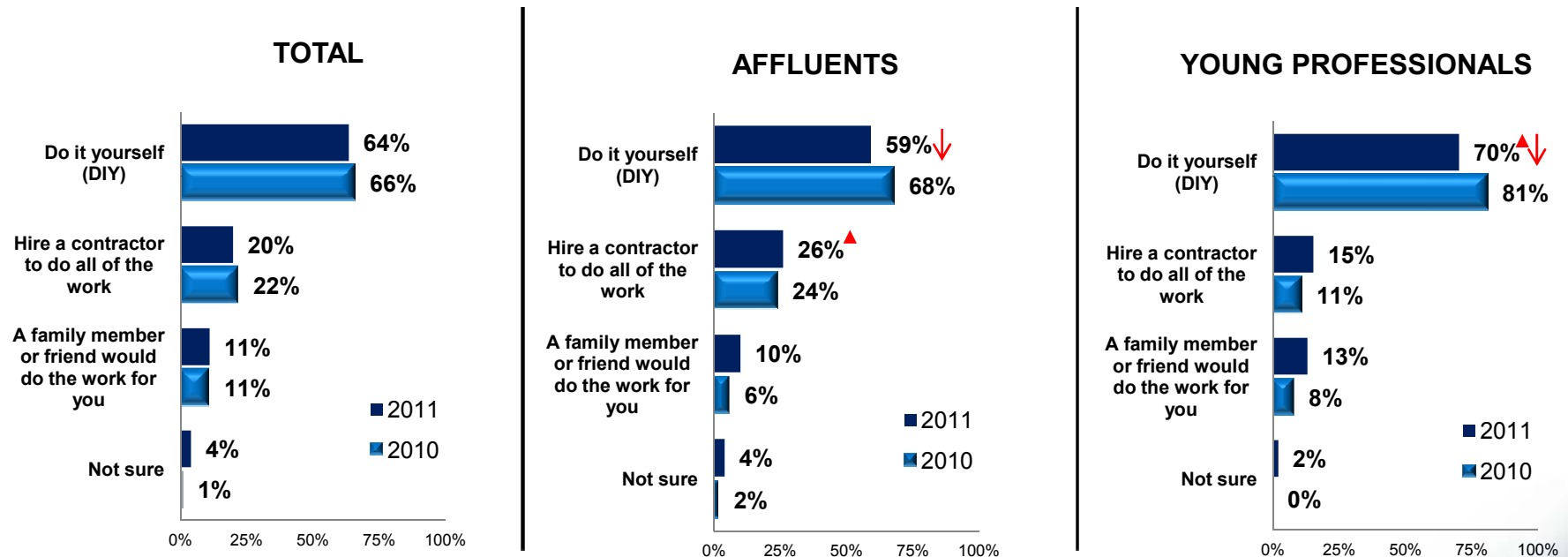
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# Plans for Most Home Improvement Projects

**Most homeowners with home improvement plans will do at least some of the work themselves (64% DIY) – especially the Young Professionals (70% DIY).**

- However, fewer of these Young Professionals are doing the work themselves versus last year (70% vs. 81% DIY). Slightly more are instead hiring a contractor (15% vs. 11%).
- Affluent homeowners are more likely to hire a contractor than their Young Professional counterparts (26% vs. 15%).



Q.T32 Which of the following describes your plans for most of your home improvement projects?

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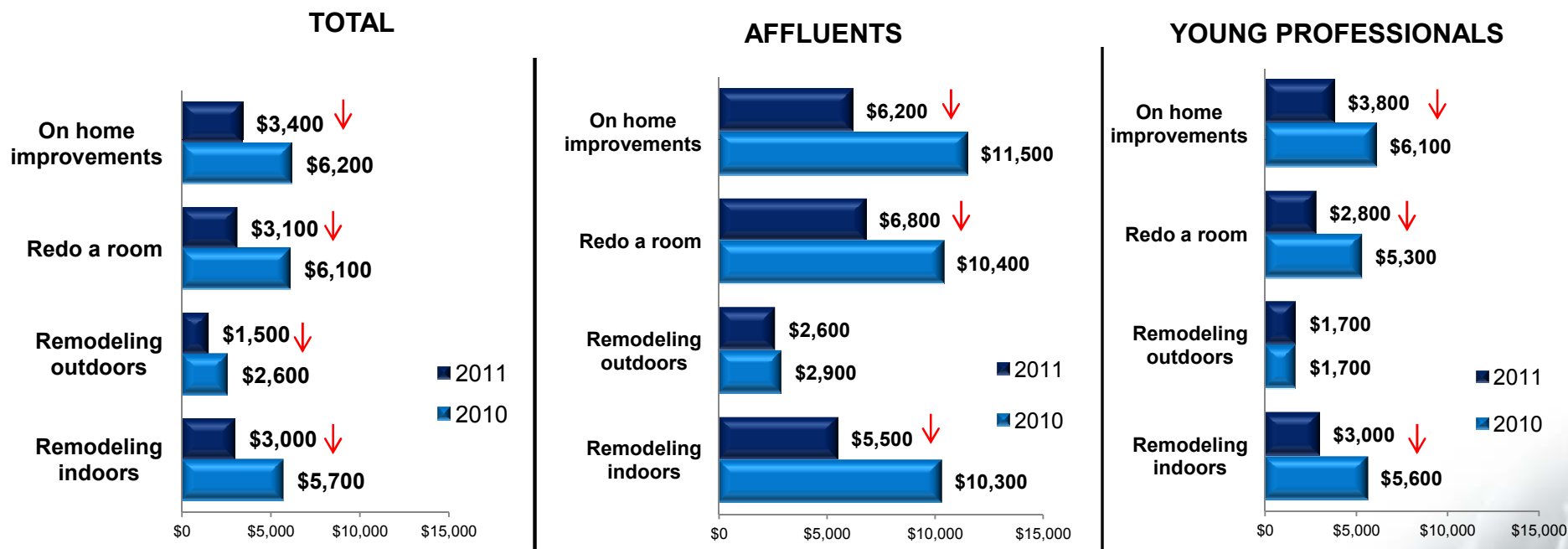
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# Average Amount Expect to Spend on Home Improvements in 2011 versus 2010



Homeowners with home improvement intentions plan to spend an average of \$3,400 overall (down from one year ago - \$6,200).

- The Affluent homeowners expect to spend an average of \$6,200 versus \$3,800 among Young Professional homeowners, on average – both indicate a decline in these plans versus 2010 (i.e. less spending on a room redo or outdoor remodel).



T19. How much money do you plan to spend?

Total homeowners with home improvement plans (base size varies)

Note: Only total average shown - sample size too small to view averages by segments for these improvements.

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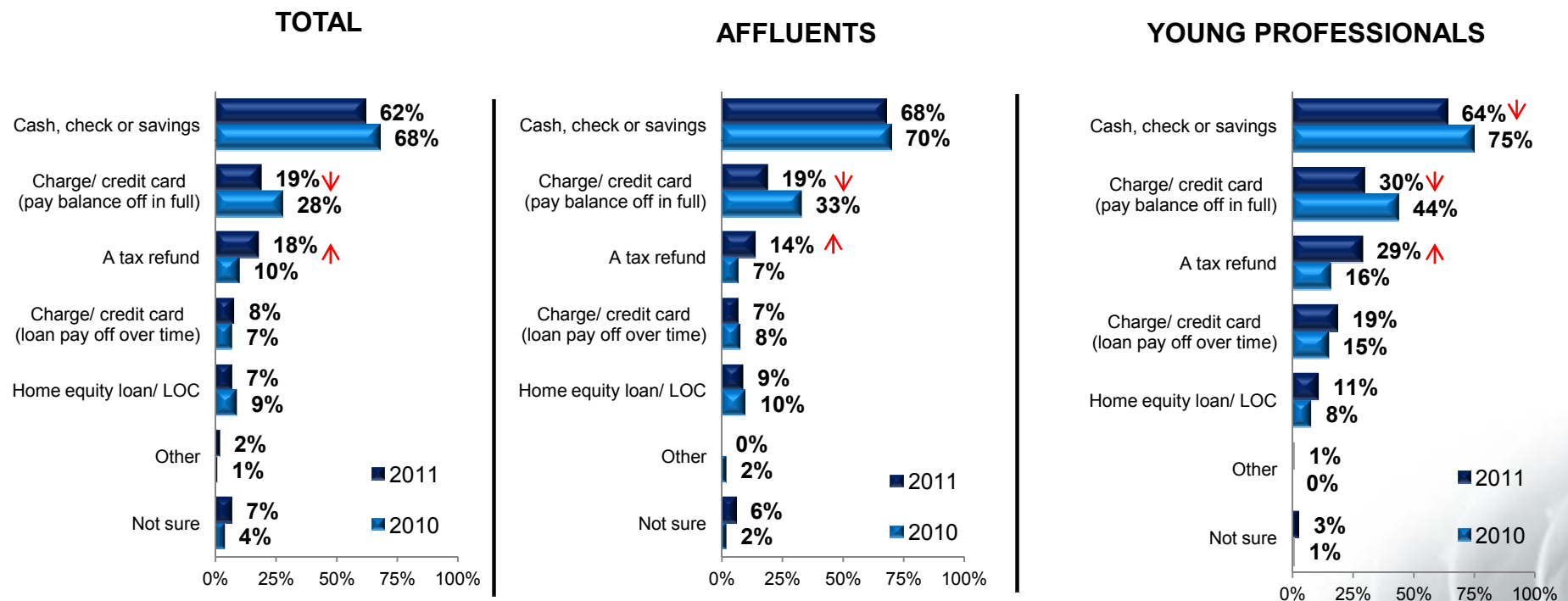
# Financing Options Considered for Home Improvements (2011 vs. 2010)



**Most homeowners with home improvement plans will finance their projects via check cash, or savings.**

- Three in ten Young Professionals will finance their home improvements via a credit card, with intent to pay in full or pay with their tax refund (30% and 29%, respectively). However, Young Professionals are less likely to use their credit card (with intent to pay in full) than they were in 2010 (30% vs. 44% in 2010), as is also evident among their Affluent counterparts (19% vs. 33% in 2010).

**More homeowners with home improvement plans, overall, and those who are Young Professionals and Affluent indicate an increase in usage of their tax refund for such improvements versus 2010.**



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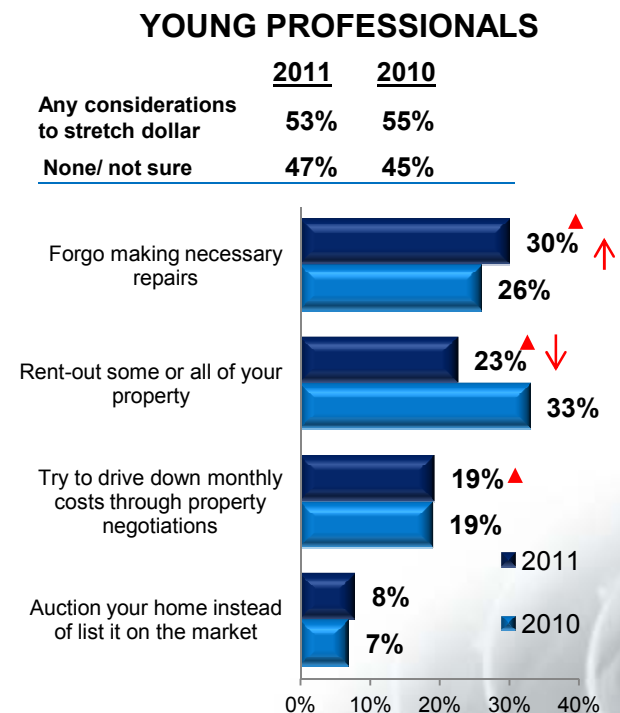
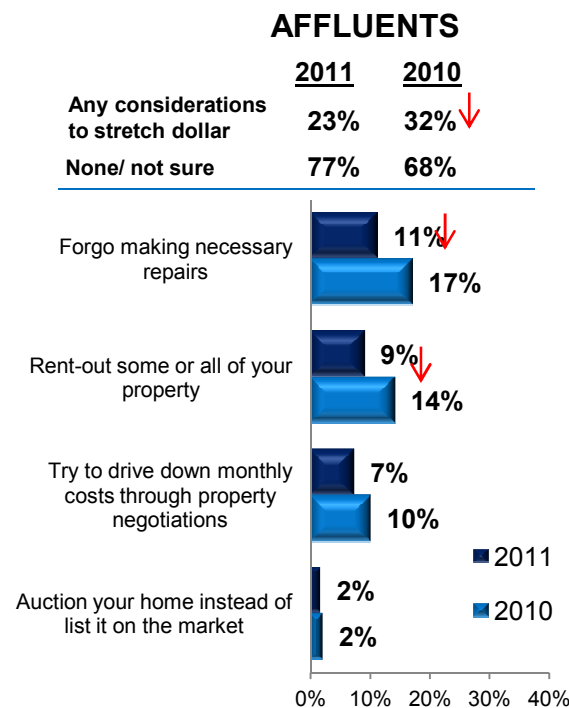
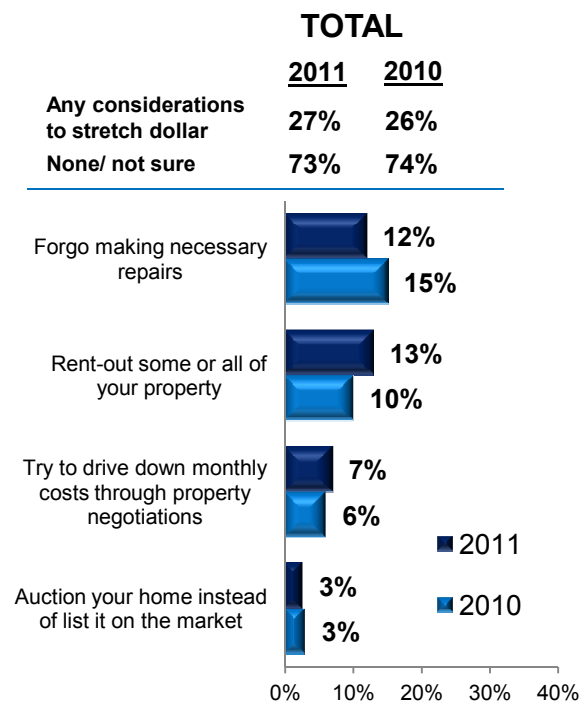
T33. Which of the following payment methods or finance options will you use to make improvements to your home? Among homeowners with home improvement plans

# Homeowners' Considerations to Better Stretch the Dollar – 2011 versus 2010



More than one in four homeowners (27%) are making considerations to better stretch their dollar.

- Most Young Professional are considering ways to better stretch their dollar (53%), and the leading consideration among these Young Professionals is to forgo making necessary repairs (30%, up from 26% one year ago).
- Fewer Young Professional homeowners than their Affluent counterparts will forgo necessary repairs (30% vs. 11%), rent out some or all of their property (23% vs. 9%), and try to drive down costs through property negotiations (19% vs. 7%).
- Affluent and Young Professional homeowners are renting out their property less this year, as a way to better stretch their dollar.



Q.T17 To better stretch your dollar would you consider any of the following? Among homeowners

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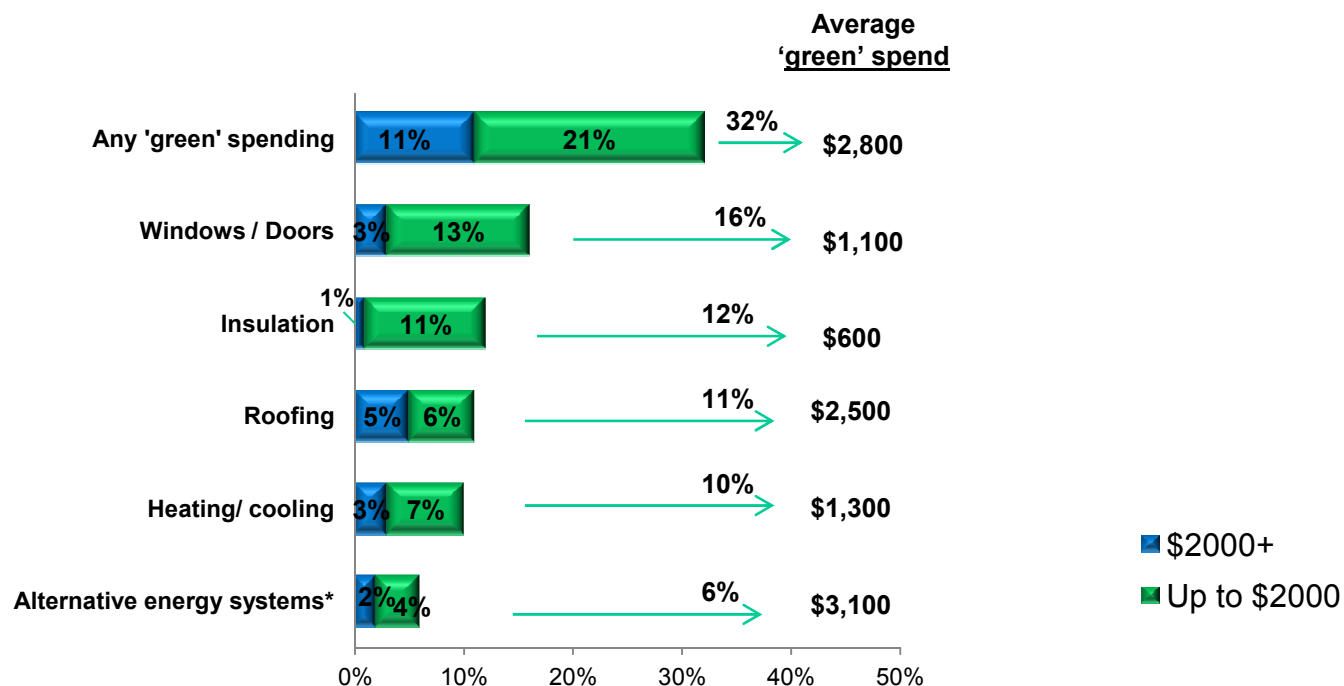
# Green Home Improvements in 2011



One third (32%) of homeowners with home improvement plans are thinking 'green'. Overall 'green' spending is expected to be \$2,800, on average.

- More will spend 'green' on windows/ doors (16%) than insulation (12%), roofing (11%), heating/ cooling (10%), and alternative energy systems (6%).

*Note: results are reported in total only due to small sample size per Affluent and Young Professional segments.*



Q.T20-T30-1 Do you have plans to make any of the following "green" home improvements in 2011?  
If you do, how much do you expect to spend? Total homeowners with home improvement plans

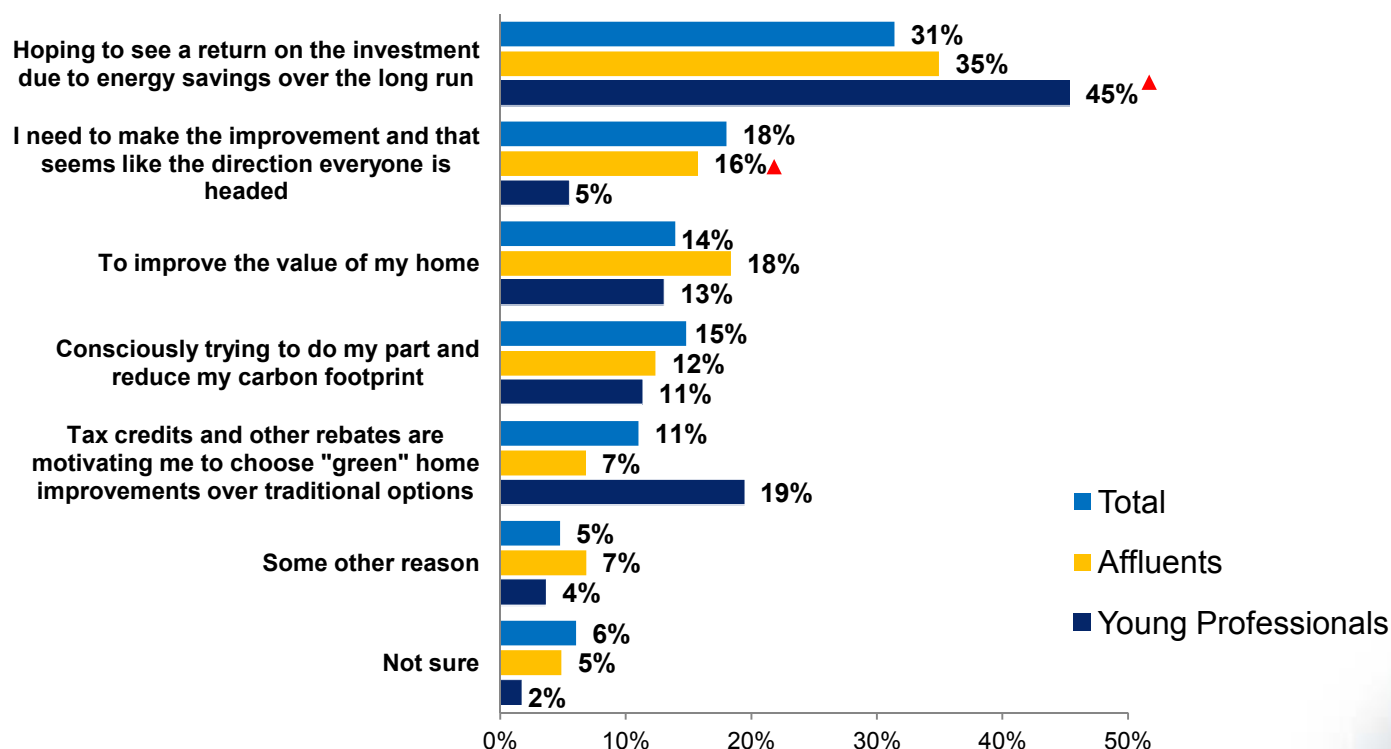
\* Alternative energy systems: Solar systems, biomass stoves, geothermal heat pumps, residential fuel cells and wind turbines.

# Reasons for Green Home Improvements in 2011



The primary reason for making these 'green' home improvements is the hope for a return-on-investment (ROI) as a result of energy savings over the long run (31%). Following second is the need to make the improvement (18%).

- More of these Affluents than Young Professionals say they are making the improvements because it is needed (16% vs. 5%).
- More Young Professionals are hoping to see ROI due to energy savings than Affluents and the general population (45% vs. 35% and 31%, respectively).



Q.T31 What is the primary reason why you are planning to make "green" home improvements? Total homeowners planning a "green" home improvement  
Rounded to the nearest hundreds



# REAL ESTATE

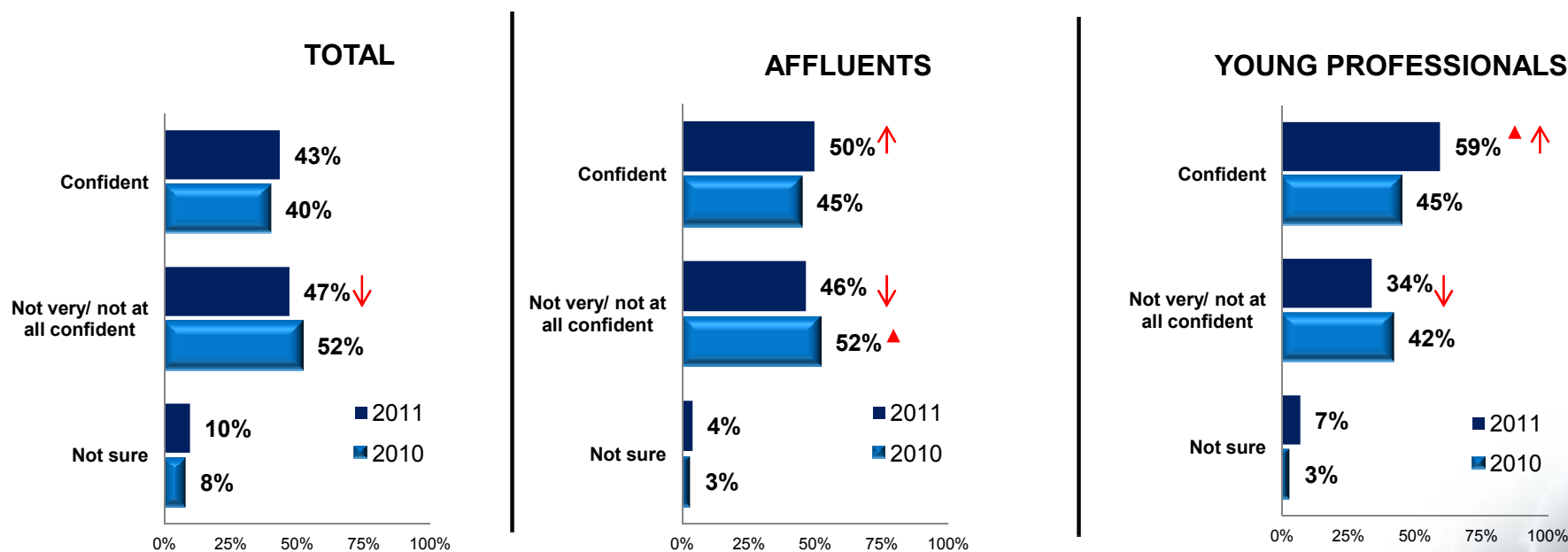
# Consumer Confidence in Getting Asking Price for Their Home in Today's Market



Even though homeowners' confidence in the real estate market has increased compared to last year, less than half (43%) are confident (very / somewhat) they would get the asking price for their home in today's market.

More Affluent and Young Professional homeowners have confidence in getting the asking price for their home in today's real estate market...

- One half of Affluent homeowners currently say they are confident (vs. 45% in 2010).
- About three in five (59%) Young Professional homeowners report they are confident (up from 45% in 2010).
- In contrast to less than one half of the general population of homeowners (43%, up from 40% in 2010).



Q.T13 If you were to put your house on the market today - how confident are you that you would get the asking price for your home? Among homeowners

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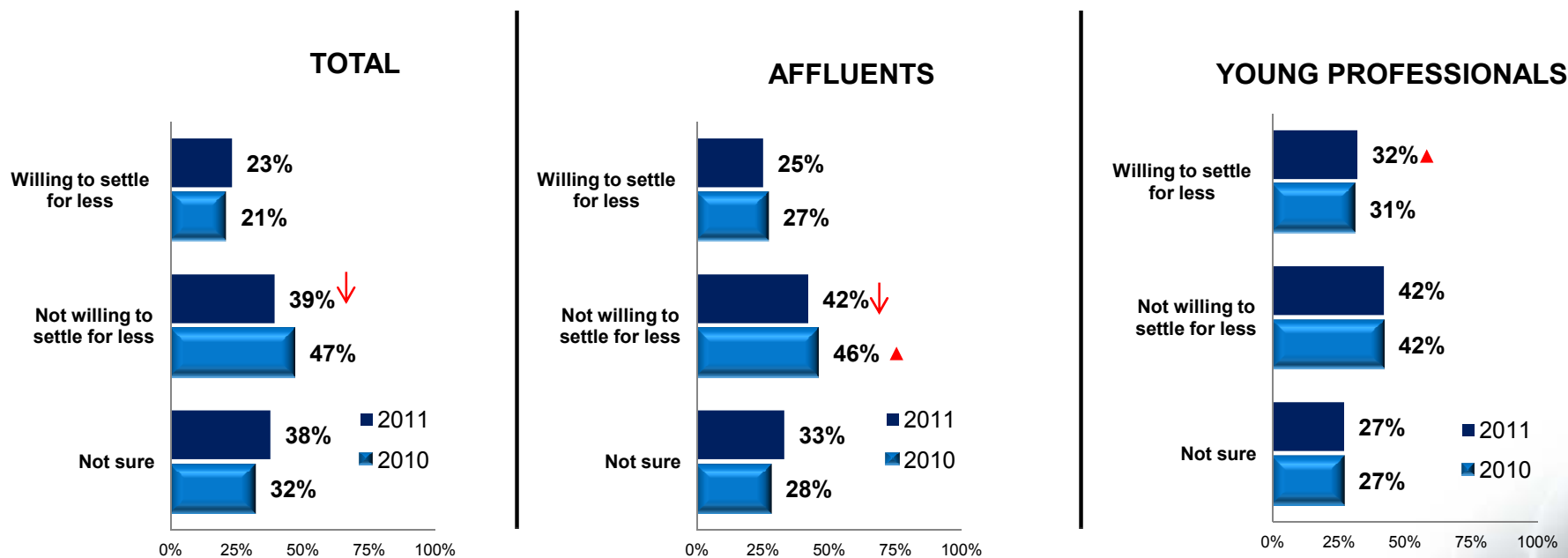
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# Willing to Settle for Less Than the Asking Price of Your House in a Tough Real Estate Market



More homeowners are NOT willing to settle for less than those who are, given the tough real estate market.

- Just under one in four (23%) say they are willing to settle for less; however, a significant decline in the percentage who are not willing to settle for less is evident (39% vs. 47% in 2010).
- Nearly one third (32%) of Young Professional homeowners are willing to settle for less than the asking price for their house given the tough real estate market.



Q.T14 Again, if you were to put your house on the market today - would you be willing to settle for less than the asking price of your house given the tough real estate market? Among homeowners

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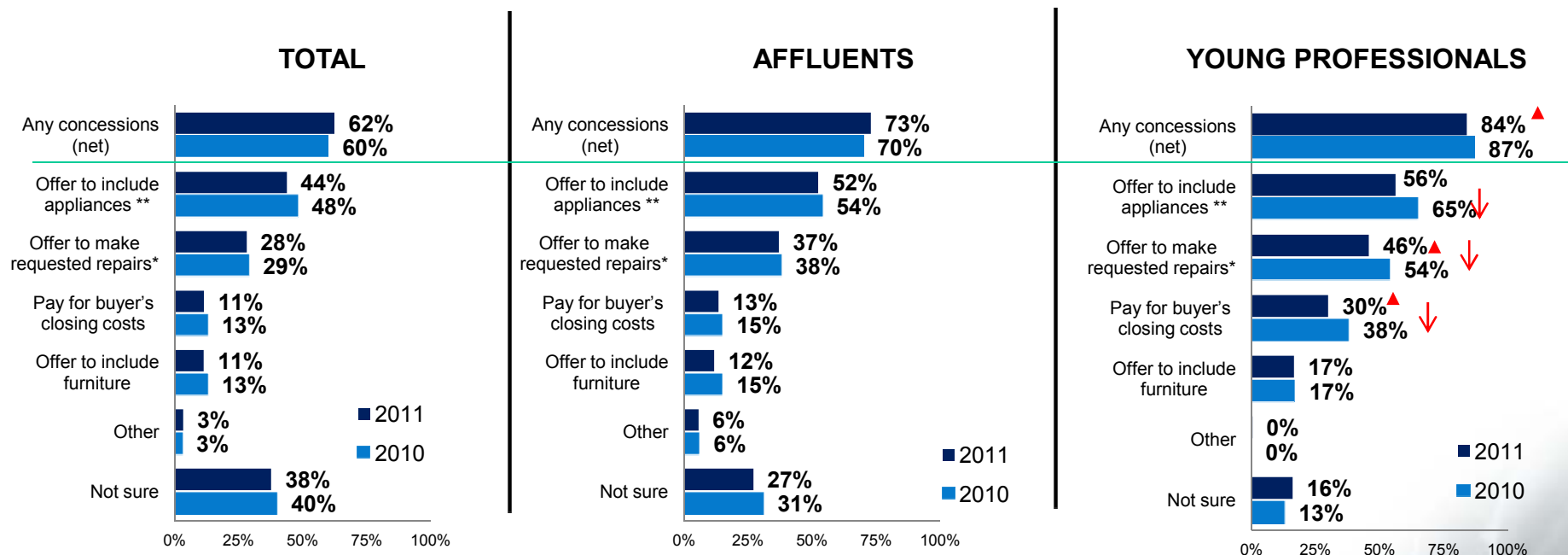
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# Concessions Willing to Make In Order to Sell your Home in the Current Real Estate Market



Other than sacrificing price, most homeowners are willing to make concessions in order to sell their home in a tough real estate market, such as offering to give away their appliances (44%), followed by any requested repairs in the sale of their home (28%), etc..

- More Young Professional homeowners than their Affluent counterparts are willing to make concessions in order to sell their home (84% vs. 73%).
- The biggest concession noted among both Young Professional and Affluent homeowners is the offer to include appliances (56% vs. 52%, respectively), and offering to make requested repairs (46% vs. 37% respectively). However, significantly fewer of these Young Professionals would make any of these concessions this year versus 2010, as well as pay for buyer's closing costs (30%, down from 38% in 2010).



Q.T15 Other than adjusting the asking price - what concessions would you be willing to make in order to sell your home in the current real estate market?  
Total homeowners\* before closing or give an allotment for repairs/renovations

\*\* (i.e. refrigerator, washer and dryer, etc.)

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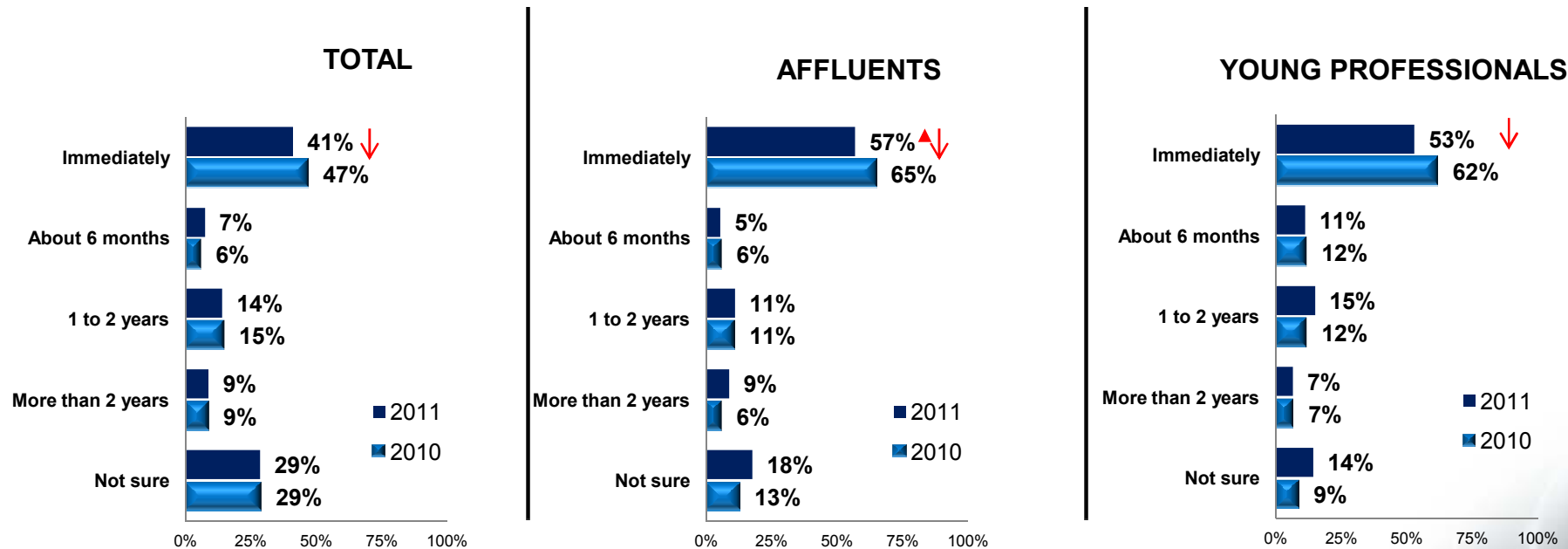
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# When Will the Real Estate Market be Best for Buying?



The best time to buy a home is immediately according to 41% of homeowners overall – this is down from one year ago (47% thought the market was immediately ready for buying).

- More Affluent homeowners than their Young Professional counterparts feel the current market is immediately ready for buying (57% vs. 53%). This notion, however, is down from one year ago among both Affluents and Young Professionals.



Q.T16A When do you think the real estate market will be at its best for **BUYING**? Among homeowners

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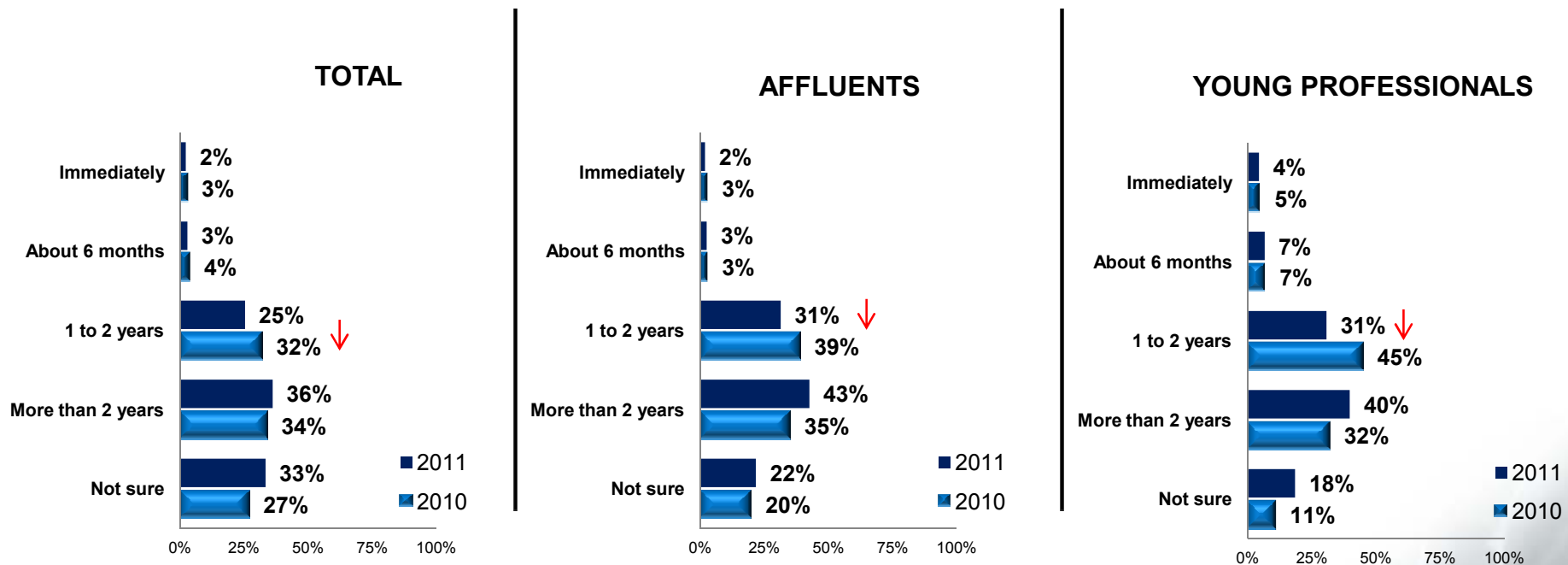
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# When Will the Real Estate Market be Best for Selling?



The best time to sell a home is one plus years from now – according to 61% of homeowners overall.

- More Affluent and Young Professional homeowners than the general population of homeowners feel the best time to sell their home would be one plus years from now (74% and 71%, respectively, vs. 61%).



Q.T16B When do you think the real estate market will be at its best for SELLING? Among homeowners

↑↓ Significantly higher or lower in 2011 versus 2010.  
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