



FOR IMMEDIATE RELEASE

November 29, 2010

U.S. Consumers Split on Holiday Spending, Says Auriemma Consulting Group

NEW YORK, N.Y. — Consumers are evenly split into two camps when it comes to holiday shopping plans, according to Cardbeat[®], a syndicated market research report published by Auriemma Consulting Group (ACG). Half of the respondents to their monthly Cardbeat survey said that they plan to spend the same or more on holiday shopping as they did before the recession began two years ago. The other half is cutting back, often sharply.

Overall, a third of US consumers plan either to spend substantially less (18%), or to skip holiday shopping altogether (15%, up from 12% in 2009, and 8% in 2007). Households with less than \$50,000 annual income are twice as likely as their more affluent counterparts to say that they will do no holiday shopping this year.

“We see a similar divide when we ask about consumers’ personal financial situations”, said Pat Sahm, Managing Director of Knowledge Management at ACG. The majority of respondents describe their own financial situation as the same or better than it was two years ago. However, 40% say their situation is worse, most of them describing it as “substantially worse.”

The survey was conducted in August 2010, and according to the Federal Reserve September was the low point for revolving consumer credit balances, Sahm pointed out. “Starting in October, many of our payment card clients have seen encouraging increases in purchase volume, and indeed the upbeat, more affluent half of Cardbeat respondents have enough spending power to drive 2010 holiday sales numbers above last year’s,” she said. “Nevertheless, there’s a growing segment of consumers, many affected directly or indirectly by persistent unemployment, who say they will be sitting on the sidelines this season.”

The information in this release includes data from a survey of 532 cardholders conducted in August 2010.

About Auriemma Consulting Group

Auriemma Consulting Group (ACG) is a full-service management consulting firm serving the payments and lending industries since 1984. Cardbeat is ACG’s syndicated market research study of credit cardholders, conducted monthly in the U.S. and quarterly in the U.K. With offices in New York and London, ACG consultants are experienced practitioners, drawn from the credit card, private label, auto finance, mortgage, and retail banking industries that we serve. For more information, contact Patricia Sahm at 212-323-7000 or patricia.sahm@acg.net.