



RBC Consumer Outlook Index Findings

April 2011



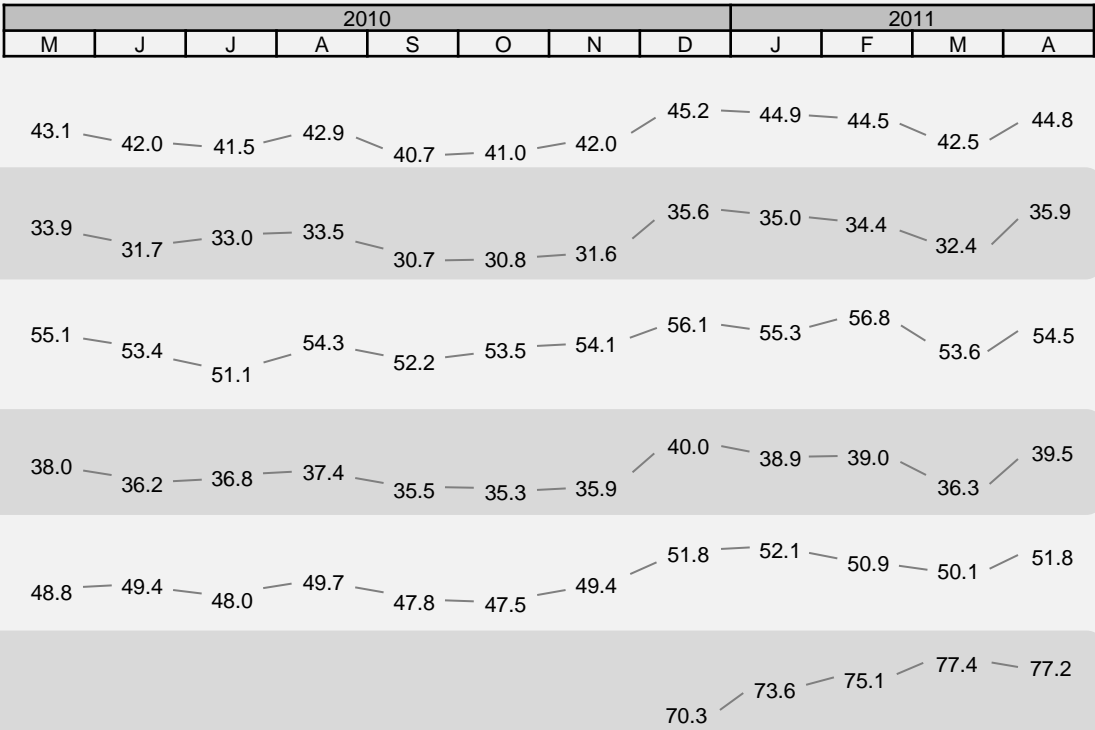
The survey is conducted online via Ipsos' national I-Say Consumer Panel with 1,000 Americans. Data is weighted to balance demographics and ensure that the sample's composition reflects that of the adult population according to Census data. The *COI*, *Current*, *Expectations*, *Investment* and *Jobs* Indices are calculated from the aggregate responses and are based on 0-100 point scales.

Consumer Confidence Rebounds in April

- Despite price pressures related to fuel and food, continued unrest in the Middle East and the evolving crisis in Japan, the overall COI saw a moderate improvement, ending the three-month trend of declines. This decline is broad-based with consumers gaining confidence across current financial health, expectations for the future and employment prospects.
- The overall *RBC Consumer Outlook Index* improves to 44.8 for April 2011, up 2.3 points from March's 42.5. This improvement places current consumer confidence at levels similar to those seen in January and February 2011.
 - The *RBC Current Conditions Index* reverses its 3-month slide, moving up 3.5 points to 35.9, placing it on par with that of December 2010.
 - Employment security improved somewhat in April. The *RBC Jobs Index* now stands at 51.8, up 1.7 points from March's mark of 50.1.
 - The *RBC Expectation Index* rose slightly. The Index currently stands at 54.5, up 0.9 points from last month.
 - The *RBC Investment Index* also improved significantly. Investment regained the points dropped last month plus some to stand at 39.5, up from 36.3 in March.
 - Finally, the *RBC Inflation Index* indicates consumers continue to expect higher prices. The inflation index stands at 77.2, basically unchanged from March.

RBC Consumer Outlook Index and Sub-Indices

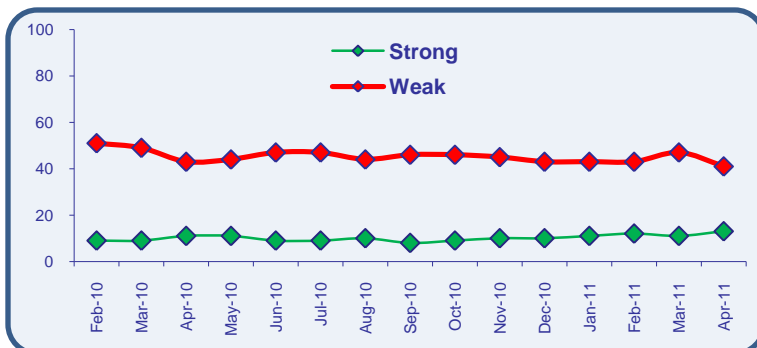
May 2010 – April 2011



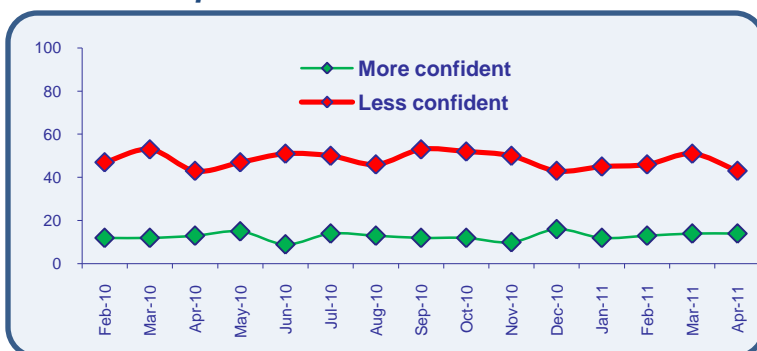
Detailed Findings of the Consumer Outlook Survey

- In contrast to March, a decline in consumer pessimism helped spur overall improvement in consumer confidence. This is clearly evident when looking at consumer evaluations of current financial health. While “strong” evaluations remain low (13%), perceptions of current finances as “weak” declined to 41% -- lower than they have been in over a year (Graph 1).
- Corroborating this perception of some degree of stabilization in personal finances, American consumers also feel less pessimism with regard to investment and discretionary income.
 - In terms of ability to invest in the future, consumer pessimism decreased in April to levels not seen since December 2010 (43% less confident – Graph 2).
 - This reduction in pessimism is generally pragmatic – in thinking about the stock market, those believing it will be a bad time has dropped 8 points (31% versus 39% in March) – matched by an increase in the proportion of people unsure about the situation (52% versus 44% in March).
- Consumers also are tentatively reporting improvements in discretionary income – 19% believe the amount of money they have after paying bills will improve in the next three months (up 3% from March), coupled with a reduction in the number saying this will get worse (33% versus 36% in March – Graph 3).
- Also symptomatic of the declining pessimism in financial health and discretionary income, consumers have less discomfort with household purchases in April (33% less comfortable versus 36% in March – Graph 4).

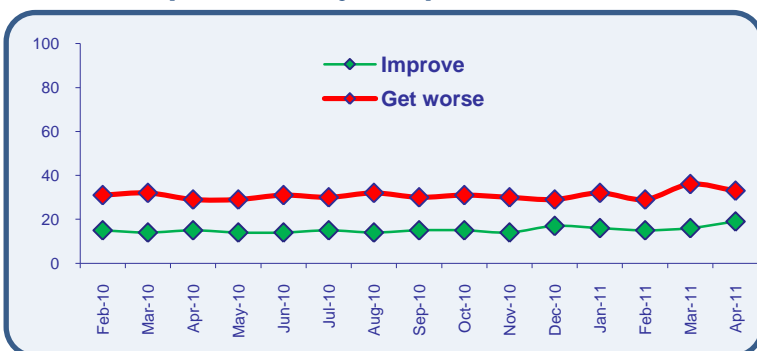
Graph 1: Current Financial Health



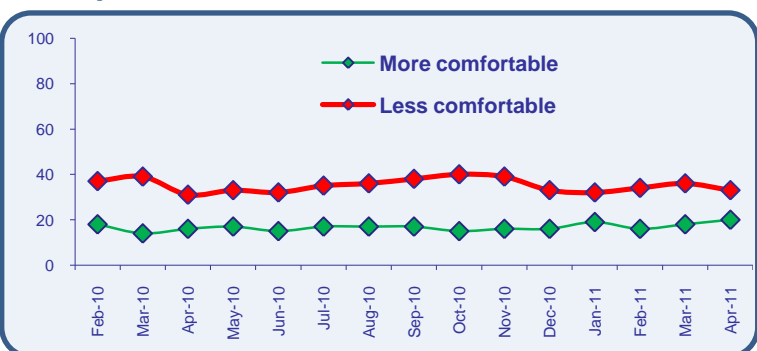
Graph 2: Investment Confidence



Graph 3: Money to Spend after Bills



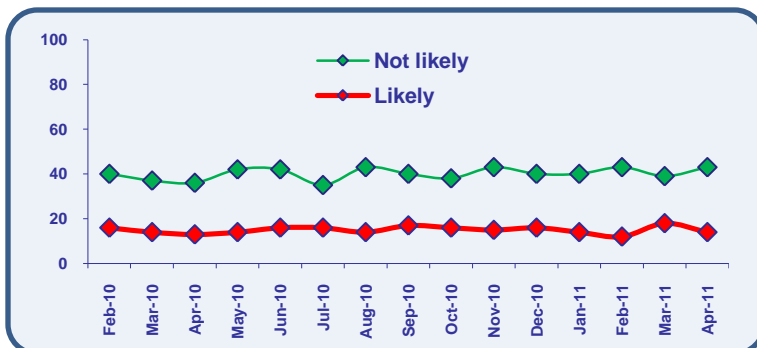
Graph 4: Comfort With Household Purchases



Detailed Findings of the Consumer Outlook Survey, cont.

- Feelings about current finances may be bolstered somewhat by expectations regarding job security
 - Only 14% feel job loss is likely in the next 6 months (down from 18%), and approaching half (43%) feel job loss is unlikely (up from 39% - Graph 5).
 - In terms of current job loss concerns, fewer than one-third (29%) report they are currently worried about being laid off (down from 32% in March), and 71% of consumers are not worried about job loss currently (compared to 68% in March).

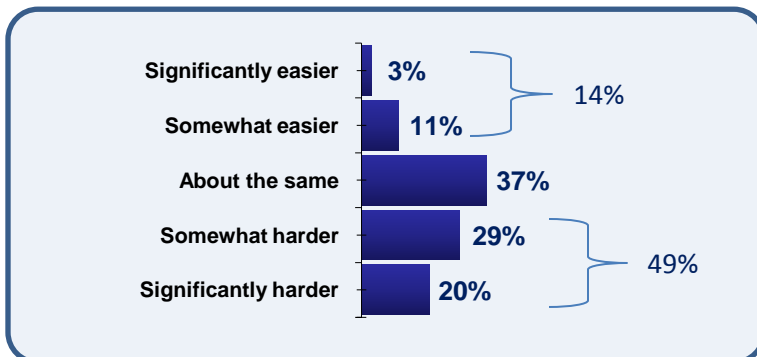
Graph 5: Expectations for Job Security



Detailed Findings of the RBC Custom Questions

- Despite the current level of confidence regarding job security, job searches are still a reality for a significant number of Americans.
- Looking more closely at jobs and job searches among consumers:
 - Half (49%) say it harder to find a job now than it was compared to this time last year.
 - More than a third (37%) say the difficulty of finding a job is about the same as last year.
 - Fewer than one in five (14%) report it is currently easier to find a job than at this time last year (Graph 6).
- Given the tight job market and record levels of unemployment, Americans report a willingness to adapt.
 - Half (48%) are willing to learn new skills.
 - Half (48%) are willing to change careers altogether.
 - 46% are willing to take a job they are overqualified for (Graph 7).

Graph 6: Difficulty of Finding a Job



Graph 7: Potential Job Search Actions

