

## Spend Now, Spend Later or Not at All?

### The new Wealth Hazards Worry Index reveals that consumers have tightened their grip on spending once again

ATLANTA, June 30 -- The *Wealth Hazards* Worry Index now indicates that the number of people who continue to spend the same amount or less than they did one year ago increased to 79 percent, up from 73 percent just one month earlier. The remaining 21 percent said that they are now spending more than they did just one year ago. "It appears that consumer sentiment has now reversed course yet again" says Thomas Hertog, managing editor at *Wealth Hazards*. Respondents to the *Wealth Hazards* Worry Index survey said that they remain concerned with the high level of unemployment, flat or decreasing home values, and a general sense that the economic recovery continues to be very fragile. "Many people are hesitant to return to pre-recession spending levels even if their job is secure and they managed to avoid the housing market downturn," said Hertog, "that being said, 21 percent of people do feel comfortable enough to spend more than they did one year ago."

This recent pull-back in spending is being felt at retailers and shopping malls across the country. In early 2010 consumers ventured out to stores with pent-up demand for electronics, apparel, and appliances. This demand did not last very long. By late-April some retailers were already beginning to see a reduction in traffic and some stores recorded their first decrease in sales per square foot in 2010. Consumers remain tight-fisted as they wait for more evidence that the economy is on the mend for good. "It's not surprising that consumers have pulled-back, it is surprising that they didn't pull-back any sooner or cut back more deeply," says Hertog. The six months that remain in 2010 could very well reverse some of the spending trend. Companies will begin to report second quarter earnings in a few weeks and many market watchers believe that a strong earnings season will bode well for the rest of the year. Consumers will eagerly welcome strong earnings as long as they don't come at the expense of consumer checkbooks. The recovery in 2010 has thus far not been accompanied by significant inflation, but economists are keeping a close eye on prices and wages as we find ourselves half-way through 2010.

#### About the Worry Index

The *Wealth Hazards* Worry Index was created to capture the ever-changing sentiment of consumers. It is measured each month using various questions and methodologies designed to better understand what issues are of the most concern to consumers. You can view the survey at <http://www.WorryIndex.com>.

#### About *Wealth Hazards*

A wealth hazard is a risk or threat to your financial health. Wealth hazards come in all shapes and sizes and very often in disguise. *Wealth Hazards* was established to help people to avoid, manage, and recover from life's wealth hazards. The new book *Wealth Hazards - Surviving the Recovery* is now available at <http://www.WealthHazards.com>.

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