



# IRIS Economic Report

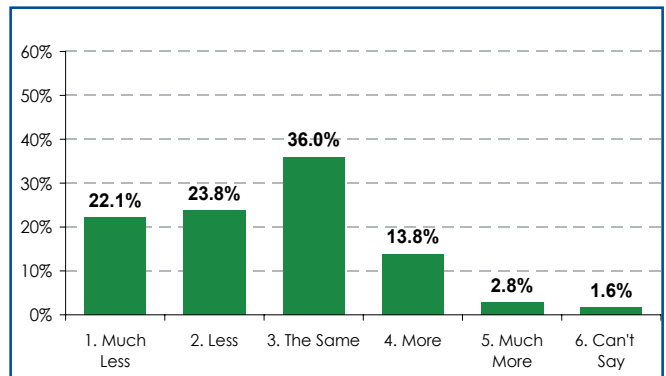
## Spending Intentions for Christmas 2009

### What are the spending intentions of Illawarra households this Christmas?

As part of its December quarter Illawarra Consumer Sentiment Monitor, IRIS Research asked over 300 local households about their spending intentions this Christmas. The survey was conducted Monday 14th - Tuesday 15th December 2009, using IRIS's Computer Aided Telephone Interviewing (CATI) system. The results show that the recent interest rate rises have had a notable effect on plans for Christmas spending.

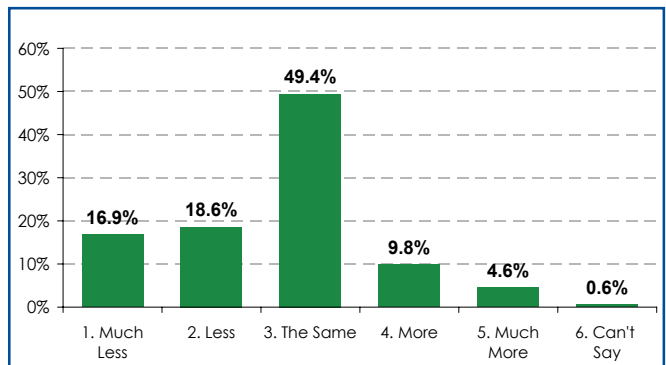
### Spending on Christmas Presents

When asked how much they intend to spend on Christmas presents compared to last year, nearly half of the Illawarra households surveyed indicated that they intend to spend less this Christmas. 22.1% of respondents said that they plan to spend 'much less' on presents, while another 23.8% intend to spend 'slightly less' this year. More than one third (36.0%) suggested that their level of spending would remain unchanged, while a total of 16.5% of households plan to exceed last year's present spend.



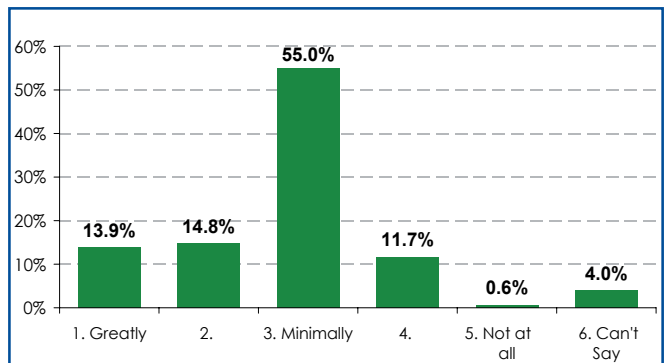
### Spending on Christmas Celebrations

Just over a third of Illawarra households plan to cut back their spending on Christmas celebrations such as BBQs, parties and visiting family. 16.9% intend to spend 'much less' compared to last year, with another 18.6% planning only a minor reduction in spending. Half of the households surveyed (49.4%) have set a similar budget to last years when it comes to Christmas celebrations. One in ten (9.8%) plan to spend 'slightly more', while 4.6% indicated that they plan to spend 'much more' this Christmas.



### Impact of Interest Rate Rises

Overall, more than a quarter of Illawarra households felt that the recent interest rate rises have impacted their spending intentions this Christmas. 13.9% of households suggested that the rate rises had impacted them 'greatly', causing them to spend much less. 14.8% are planning to try to spend 'slightly less' this Christmas. In comparison, just over half of the households surveyed (55.0%) felt the impact was minimal, meaning they would spend about the same as last year, while 12.3% intend to spend more this Christmas despite the interest rate rises.



You can download a copy of this report from the IRIS Research website [www.iris.org.au](http://www.iris.org.au). The full December edition of the Illawarra Consumer Sentiment Monitor report will be released in early January 2010.

Contact Simon Pomfret or Natalie Viselli for further information on (02) 4285 4446

