

## Expectations Index dips as job prospect optimism dims

Consumers' short-term outlook, which had improved significantly last month, turned more pessimistic in June.

- Those anticipating an improvement in business conditions over the next XX months decreased to XX% from XX%, while those expecting conditions will worsen rose to XX% from XX%.

Consumers were also much less optimistic about future job prospects.

- The percentage of consumers anticipating more jobs in the months ahead decreased to XX% from XX%, while those anticipating fewer jobs increased to XX% from XX%. The proportion of consumers anticipating an increase in their incomes declined to XX% from XX% (*The Conference Board*, June 29, 2010).

## Unemployment picture stabilizes

Not surprisingly, the drop in consumer confidence during the recession has coincided with a steep increase in the unemployment rate (with which it has historically closely correlated). After crossing the XX% threshold in May 2009, the unemployment rate peaked at XX% in October 2009.

In June 2010, the unemployment rate stood at XX%. Total nonfarm payroll employment decreased by XXX that month, reflecting the departure of XXX temporary Census 2010 workers from federal government payrolls. However, total private employment edged up by XXX, due to modest increases in several industries.

### Some perspective:

- The unemployment rate is more than XXX the XX% (pre-recession) January 2007 rate.
- Through June 2010, private-sector employment has increased by XXX, but remains XX xxxx below its December 2007 level.
- From July 2009 to June 2010, average hourly earnings of all employees in the private nonfarm sector increased by XX%.

## Fast food/QSR segment accounts for XX% of breakfast daypart purchases

NPD's foodservice market research shows that for the year ending March 2010, there were more than XX xxxx morning meals served at U.S. restaurants, and XX% of restaurant morning meals were purchased from quick-service restaurants.

## Restaurants sales trends by daypart

In this section of the report, we analyze and trend food expenditure data based on the U.S. Bureau of Labor Statistics *Consumer Expenditures Survey*. 2008 data was released in the fall of 2009, making it the most recent year annual data available.

Note: the survey uses the term “consumer unit,” defined as “members of a household related by blood, marriage, adoption, or some other legal arrangement; a single person living alone or sharing a household with others, but who is financially independent; or two or more persons living together who share responsibility for at least two out of three major types of expenses: Food, housing, and other expenses. Students living in university-sponsored housing are also included in the sample as separate consumer units.”

## Consumer food expenditure trends suggest migration to food at home spend

Consumer Expenditures Survey data suggests that the bulk of food expenditure spending growth during 2005-08 has come from spending on food at home. Food away from home expenditures as a percentage of total consumer expenditures and as a percentage of food expenditures fell during this period.

Data may capture the recession-driven trend away from restaurant spending and toward grocery spending, as consumers have sought lower-priced alternatives in the face of tightened credit, lower household wealth, and higher unemployment.

**Graph 4-2: Consumer Food Expenditures, 2005-2008**

	2005	2006	2007	2008	Change 2005-08*
<b>Average annual expenditures</b>					
<b>Food</b>					
% of total expenditures					
<b>Food at home</b>					
% of total expenditures					
% of food expenditures					
<b>Food away from home</b>					
% of total expenditures					
% of food expenditures					