

'Tis the season to be stingy

CHRIS ZAPPONE. *The Age*. November 21, 2009

CHRISTMAS may be less than merry for retailers across the country, with more than one-third of shoppers planning to cut back their seasonal splurge.

- 5 About 35 per cent of households polled expect to spend less at Christmas compared with last year, according to the November Westpac-Melbourne Institute reading of consumer sentiment.

10 Squeezing the spending plans is a combination of worries about rising interest rates and the diminishing impact of federal cash handouts intended to head off a drastic economic slowdown. The gloomy result differs somewhat to other more positive readings about consumer confidence. [...]

A weaker Christmas will weigh on retailers, who depend on the holiday season to generate as much as 40 per cent of their annual profits. [...]

- 15 Overall, households intend to spend an average of \$317 on Christmas gifts this year, pointing to a total of about \$2.5 billion earmarked for the holiday season.

People aged 45 to 49 planned to spend the most on gifts - \$404 on average - while only 3.4 per cent of those in the 50-to-54 age bracket planned to spend more in 2009.

- 20 "Those on low incomes were more inclined to spend less on Christmas gifts this year, with 44.6 per cent of those earning less than \$40,000 indicating they would be cutting their spend," Mr Hassan said.

"This seems to confirm the impact of last year's fiscal payments, which were predominantly paid to low-income households - pensioners and households receiving the income-tested family benefit."

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