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Dick's News and Views: The American Consumer

We are beginning to see the signs of a new consumer based on the realities of our current recession. People are reducing their borrowing and increasing their savings. Savings are now 4% of income and are likely to rise to 7-8% or more in the next few years, as consumers see the need to repair their balance sheets and retirement funds.

Walmart and other low-cost retailer's sales are up. Sales at high-end retailers are down by as much as 30%. A "Big Research" Survey found in that in May, the leading retailer in women's clothing was Walmart with 12.3% of market share, followed by Kohl's and J.C. Penney. Macy's at 5.4% was the only high-end retailer in the top five.

Consumers remain more focused on the necessities compared to a year ago. This "needs based" spending will hurt the luxury market, whether it is cars, boats or housing.

Questions? Comments?

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