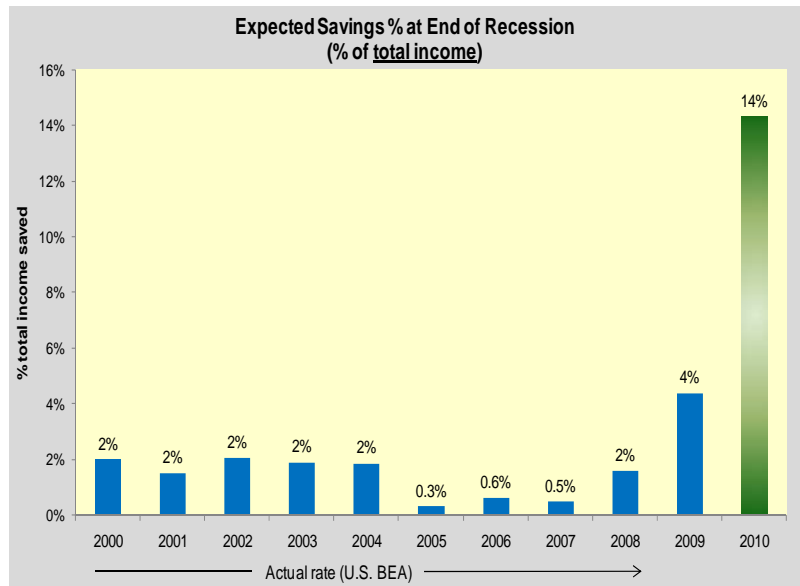
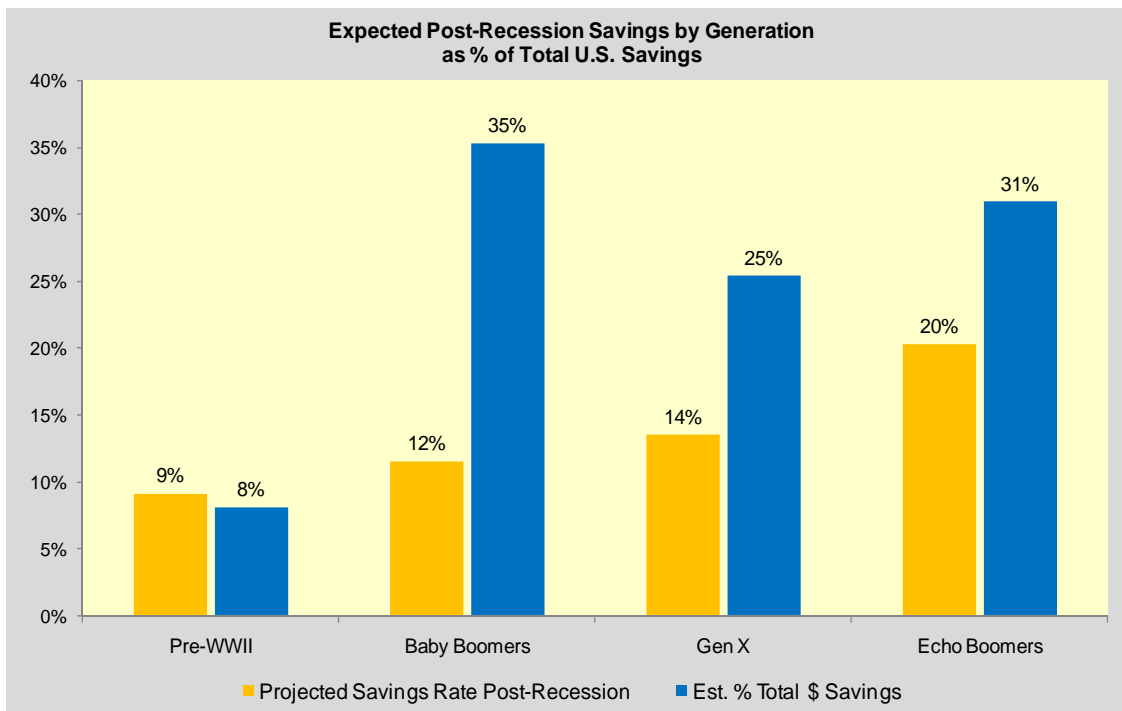


New AlixPartners Survey: Americans Say Their 'New Normal' Spending Levels to be 86% of Pre-Recession Levels

While American industry is struggling to get through what could become the worst recession since the Great Depression, Americans say that even after the recession ends, their spending will return to just 86% of pre-recession levels, which would take a trillion dollars per year out of the U.S. economy for years to come. According to this in-depth survey of more than 5,000 people, Americans plan to save (and therefore not spend) an astounding 14% of their total earnings post-recession (see figure right), with the replenishment of their 401(k) and other retirement savings leading the way among their biggest long-term concerns.

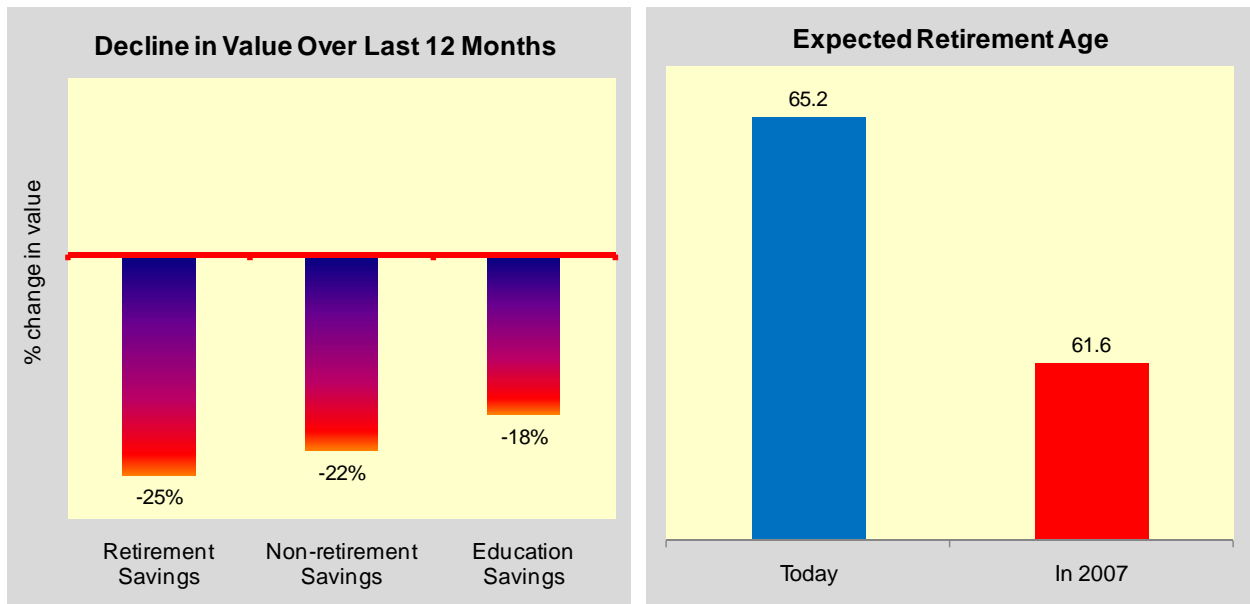


Meantime, this survey plus additional analysis by AlixPartners reveals that the huge Baby Boom generation, once thought to be moving into the years in which Boomers would be



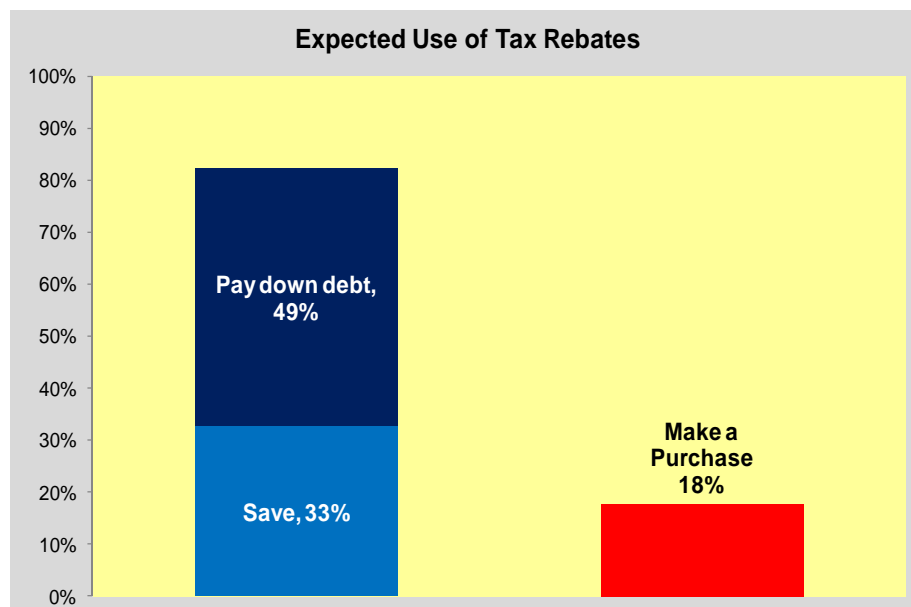
spending their savings, may instead be accounting for more than a third (35%) of total dollars saved by Americans post-recession (see figure above).

One big reason why: Survey participants estimated that their retirement savings have dropped an average of 25% from pre-recession levels (see figure below), the same percentage they feel their total net worth has declined as well. And almost a quarter of those polled (22%) said they now plan to retire later than previously expected, driving the



expected retirement age up over 3.5 years compared with 2007 levels.

Also of note, 82% of those polled said they would use upcoming U.S. government tax rebates, not to stimulate the economy via immediate spending, but instead will save that money or use it to pay down personal debt (see figure below). And those planning to save



the stimulus money reported they would be sitting on that cash for three years on average.

Even if these findings are colored somewhat by the emotions of the day, Americans are definitely speaking loud and clear: They believe the “new normal” for the American economy going forward will be more like the early 1980s than the mid-2000s. These findings have deep and immediate ramifications for industries of all stripes, from consumer-facing companies to suppliers of all kinds to raw-materials companies to financial-services organizations. And, give what a big export market America is, they have huge ramifications for companies all around the globe.

This AlixPartners survey is proprietary, but if you are interested in talking to one of our experts to learn more about the survey and about AlixPartners’ unique capabilities to help your company prepare for this brave new world, please click here:

<http://www.alixpartners.com/EN/ContactUs/tabid/136/Default.aspx>