

THE CONSUMER IS TRADING DOWN

WEB BUZZ 2008.08.11

- 1. Unemployment is advancing—now 5.7%; really over 10% if properly presented.**
- 2. Lending standards have become more stringent. Home equity is rapidly disappearing.**
- 3. Consumer confidence is extremely low.**
- 4. 401(k)s are being liquidated just to pay debt.**
- 5. Insurance policies are being sold to pay debt.**
- 6. Estimates are that 80% of tax rebates were used to pay debt.**
- 7. Coupon redemptions at grocery stores have stabilized for the first time since 1992. Their use is moving upward.**
- 8. American Express is having charge-offs from super-prime credit cards.**
- 9. National brands are losing market shares to store brands.**
- 10. Premium gasoline sales are declining even more than regular grade sales.**
- 11. Tap water is replacing bottled water.**
- 12. Brownbag lunches are replacing restaurants.**
- 13. Fast food is being substituted for upscale eateries.**
- 14. Starbucks is in trouble.**
- 15. Las Vegas is in trouble.**
- 16. Prescription drug growth is slowing down.**
- 17. Bankruptcies have grown each quarter since December 2005.**
- 18. Pawnbrokers are doing record business.**
- 19. Job cuts are accelerating.**
- 20. Business and leisure air travel and long driving trips have been drastically reduced.**

How is that for a list? We could go on and on. It's over! Inflation is over. Here comes deflation.