

The US middle class wants to cut back on Christmas spending, yet gives Black Friday a big thumbs-up

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While middle-class consumers are committed to cutting spending again this holiday season, their frugal strategies won't include the Black Friday shopping tradition. The latest findings of the First Command Financial Behaviors Index reveal that just 9 percent of middle-income people say they will do most or all of their holiday shopping on the day after Thanksgiving.



"The vast majority of middle-class families will be turning a cold shoulder to Black Friday," said Scott Spiker, CEO of First Command Financial Services, Inc. "The relatively small core of middle-income people who intend to aggressively hit the stores on the day after Thanksgiving tend to be more financially troubled than the stay-at-home majority. They are particularly concerned about personal debt and job security and are more likely to cut back in general."

Black Friday shoppers are also more likely than other middle-income consumers to worry about the U.S. economy. Almost half (48 percent) of them believe the U.S. economy will continue to fall deeper

into a recession. In contrast, just 37 percent of other holiday shoppers express the same fear.

Not surprisingly, these financially-troubled consumers are less likely than others to feel financially secure and somewhat more likely to feel financially stretched. Many of them have permanently changed their spending habits, with one third (33 percent) saying they have cut back for good. In contrast, just 24 percent of those not shopping on Black Friday say they have cut back for good.

Middle-income people who shop on the Friday after Thanksgiving tend to be female and younger than other consumers. They also are more likely to have children in their households, which provides a strong motivation to seek out the best deals on holiday gifts.

"Even though these people are concerned about their financial situation, they still want to be able to give their kids a great holiday experience," Spiker said. "Doing all or most of their shopping on Black Friday is a way for them to take advantage of deals and discounts on the products that their children want most."

In related findings, the Index reveals that middle-class families are preparing to extend their belt-tightening ways into the 2010 holiday shopping season. More than half say they will reduce spending on gifts by an average of \$300 – and roughly two out of five plan to cut back by more than \$400 – compared to last year. Thirty-eight percent of consumers plan to spend less than \$500 this year, up sharply from only 18 percent last year.