

# Consumers show more optimism

## 'Confidence' index jumps 12 points

By Jenny Munro  
BUSINESS WRITER  
jmunro@greenvillenews.com

Consumers were more optimistic in April that they will continue to have a job in the near future and a little money to jingle in their pockets, boosting the Consumer Confidence Index by 12 points, according to the New York-based Conference Board.

The Board said the Index rose to 39.2 percent, up from a revised 26.9 in March. Economists expected the index, the highest since November's 44.7, to come in at 29.5.

Liz Daly-Korybski, owner of Daly Designs on Main Street, said she's not surprised at the increase in consumer confidence since she's seen an increase in sales during the past month.

"April is up tremendously for us," she said.

While sales normally pick up in April, this year the jump has been larger than normal and customers are buying a different type of item. Usually, she sells larger paintings in the \$1,000 range, but this

year, "we're not having as many of the large-painting sales. We're having lots of small gifts," she said, those in the \$10 to \$15 range. "We've noticed a lot more people getting out."

Janet Whitcomb, strolling downtown after a business meeting, said, "Now's not the time to really start spending. It does seem like the economy is picking up a little bit. But we're still losing jobs - and you never know. So I'm holding tight right now."

Relatively encouraging news in retail sales and housing, the upward trend of the stock market and glimmerings of hope have appeared on consumers' horizon. That hope resulted in a substantial improvement in short-term outlook, even when it comes to the jobs outlook.

Gary Thayer, chief economist at Wachovia Securities, said that stock market improvement has improved consumers' moods, but he expects that consumer confidence could bounce up and down since major economic problems still exist.

"We can't say we have seen the bottom of the economy," he said. "We still have some economic concerns that we have to work through."

Consumers appear to be feeling better about the outlook for the economy, said Adam York, a Wachovia Securities economist. And that's an important barometer because consumer spending accounts for more than two-thirds of economic activity.

"While we do not expect consumer spending to come roaring back over the next few months, the worst of the declines may be over," he said. "We expect small gains in real consumption will be the norm for the rest of the year."

Daly-Korybski said she is optimistic about the economy and the increase in consumer spending.

"My gut says it's sustainable," she said. "My gut says people's attitudes are shifting."

But she still has reacted to the recession and has been "very frugal." Rather than visiting large art markets to buy merchandise, she is creating more of the artwork sold in her store.



HEIDI HEILBRUNN/STAFF  
Bethany Furst, left, and Corrie Snyder, right, shop at Daley Designs on Main Street in downtown Greenville.