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News media contact
Scott Carpenter
336.722.9660 or scott@capturevalue.com

Triad Survey Shows Lukewarm Support for Bailout, Hope for Obama

WINSTON-SALEM, N.C. (JANUARY 28, 2009) – A survey conducted by Butler + Burke LLP, a Winston-Salem based accounting firm, about the economy indicated lukewarm support for the recent bailout of U.S. auto makers, prediction of a continuing rough economy in 2009 and hope that the new Obama administration will boost consumer confidence.

When asked what they think will have the most impact on the economy in 2009, slightly more than 26 percent of survey participants said that “nothing will particularly help – it’s going to be a bad year for the economy.” An almost equal number of responses, 24.6 percent, said they think the economy will receive a “boost in consumer confidence from the Obama administration.”

Other predictions for greatest impact on the economy during 2009: 21.5 percent said an “upturn in the spring housing market,” 15.3 percent said “continuing low fuel prices” and slightly more than 10 percent said the “effects of the already-approved stimulus package.”

The survey also asked participants to gauge their support for the bailout of U.S. auto companies. More than 50 percent of respondents agreed that the bailout was needed, but 46.1 percent of the 50 percent indicated their support as only “lukewarm.” More than 40 percent of responses were not supportive of the bailout, including 23 percent who labeled the bailout as “one of the worst decisions in recent history by Congress and the President.”

When asked how the downturn in the economy would affect them personally during 2009, 44.6 percent of respondents said that they intend to buy less at retailers, and 23 percent said they would put less into a savings or retirement account. The remaining respondents said they would take fewer vacations (10.7 percent), sell their homes (3 percent) or consider a career change (3 percent).

In addition, Butler + Burke asked how survey participants spent their federal stimulus checks last year. More than 40 percent said they used the money to pay off bills. Less

than 5 percent of respondents used their stimulus checks to take a vacation or go on a shopping spree.

When asked about spending during the recent holidays, Butler + Burke found that 72.2 percent of the respondents cut back “somewhat” or “significantly” over previous holiday spending. Slightly more than 25 percent said they spent the same amount during the holidays as usual, 1.5 percent said they did not purchase anything during the holidays and none said they increased holiday spending in 2008.

Butler + Burke conducted the five-question online survey January 2-12, 2009. Butler + Burke asked 569 of the firm’s clients, the vast majority of whom live in the Triad, to participate in the survey and had an 11.6 percent response rate.

Butler + Burke is a full-service public accounting firm located at 100 Club Oaks Court, Suite A, in Winston-Salem. Founded in 1976, Butler & Burke has professional expertise in financial reporting and assurance services, tax compliance, tax planning, retirement and education planning and business consulting. For more information, visit butlerandburkecpa.com.

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