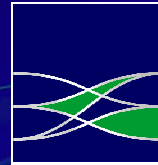


# U.S. Consumers – Today and Tomorrow

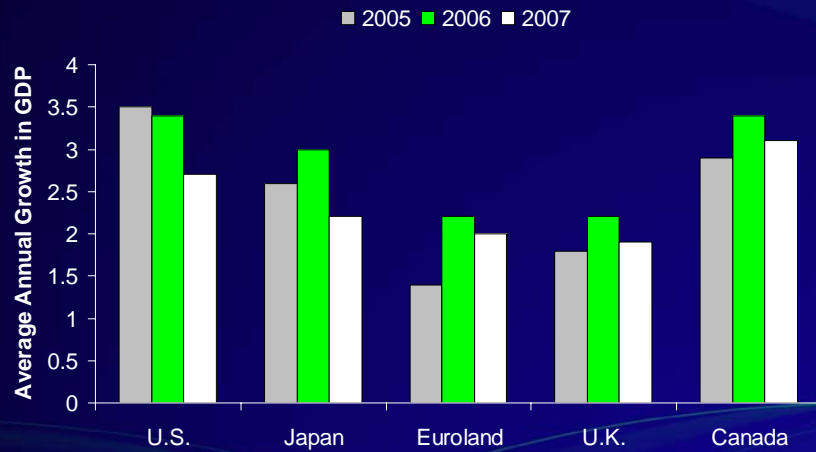
6<sup>th</sup> Annual Shopper Insights in Action  
Chicago, Illinois  
July 19, 2006

Gina Martin  
Wachovia Economics  
704.383.6805  
gina.martin@wachovia.com



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## U.S. Economic Growth Slowing Down



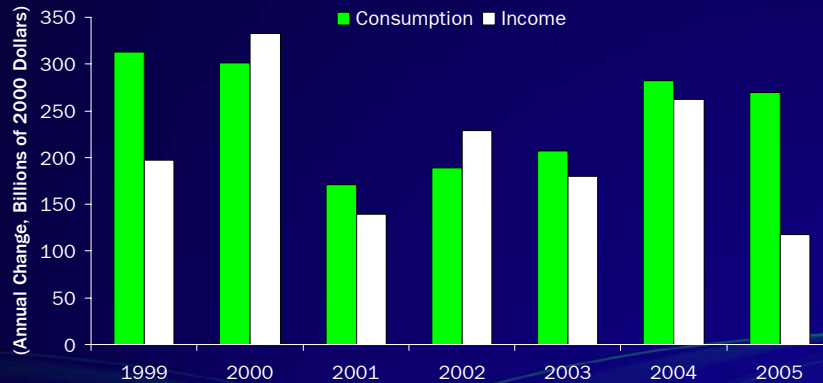
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# Will Consumers Crack?



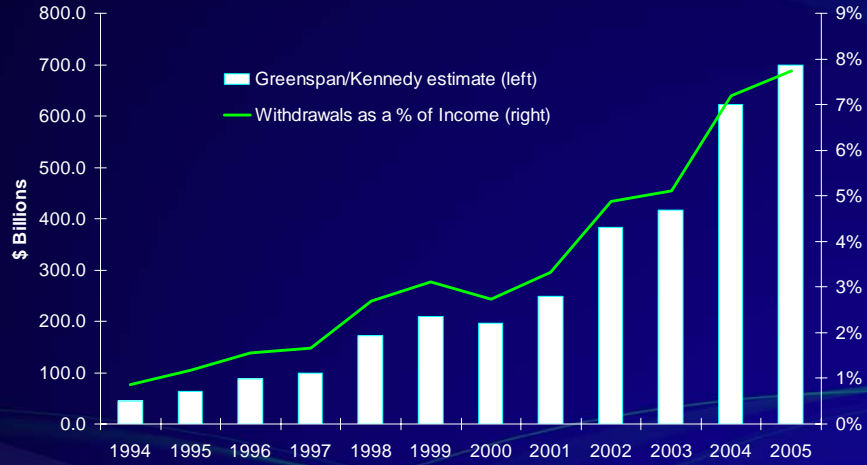
# Spending Beyond Our Means

Real Personal Consumption and Real Disposable Income



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## Mortgage Equity Withdrawals and Income



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## Housing Wealth Effect in the U.K.

### U.K. Retail Sales and Home Prices

Year to Year Percent Change

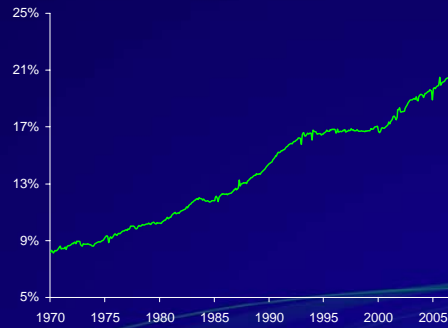
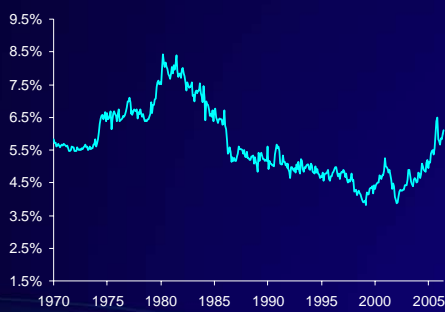


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# Energy & Health Care Squeeze Consumers

Personal Consumption of Energy Goods and Services as a Percent of Disposable Personal Income

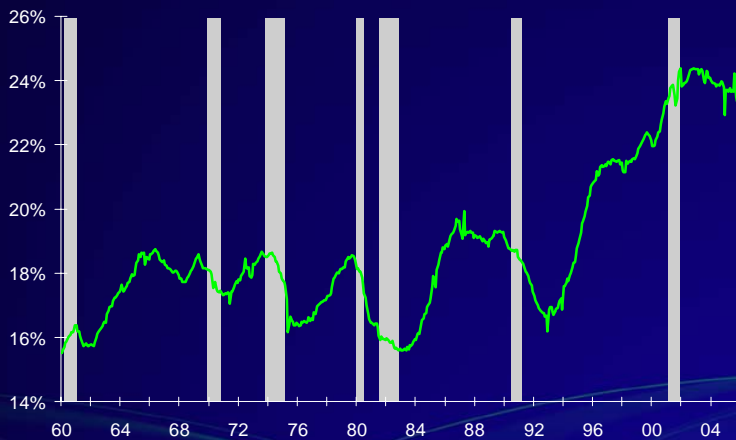
Personal Consumption of Medical Care Goods and Services as a Percent of Disposable Personal Income



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# Debt Levels Have Not Changed

Consumer Installment Debt As Percent of Disposable Personal Income

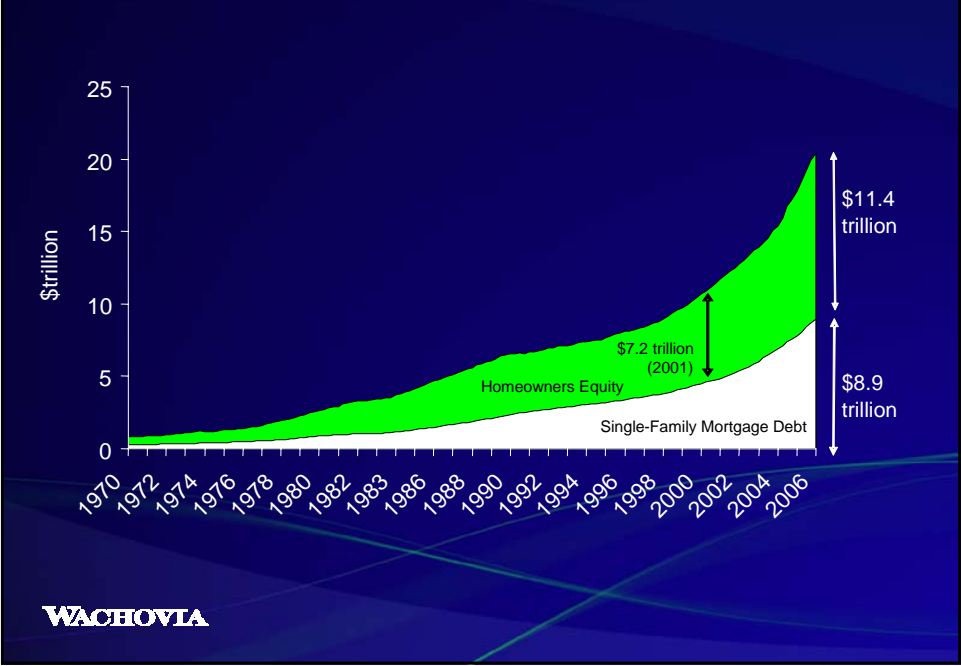


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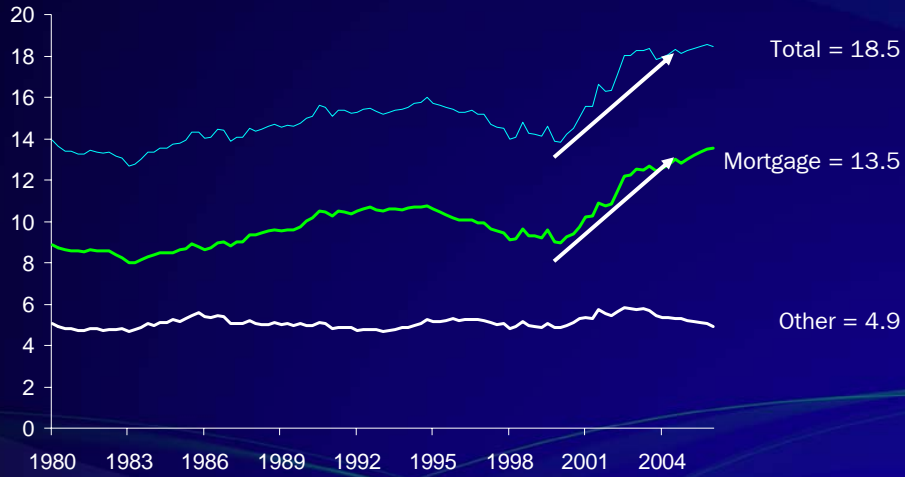
## Net Worth and Saving



## Homeowners Equity and Mortgage Debt

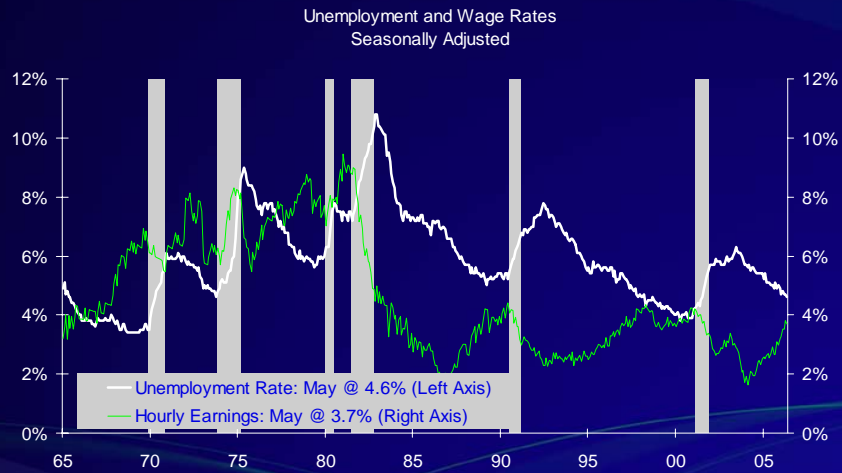


## Debt to Assets Ratios of U.S. Households



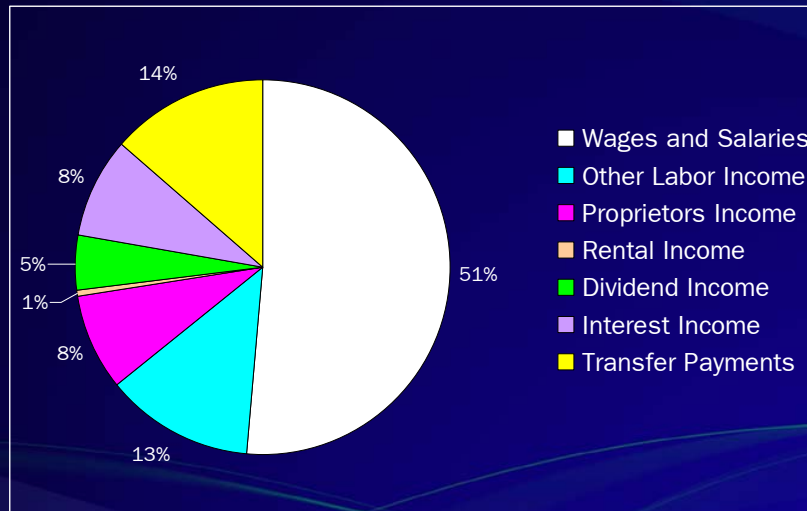
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## Wage Pressures Building



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## Components of Personal Income - 2005



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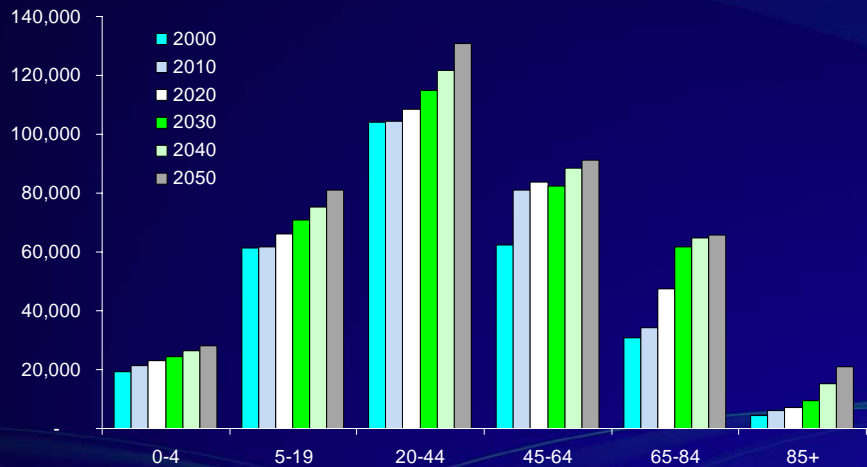
WHO is this Consumer?

WHAT do they Buy?

WHERE do they Spend?

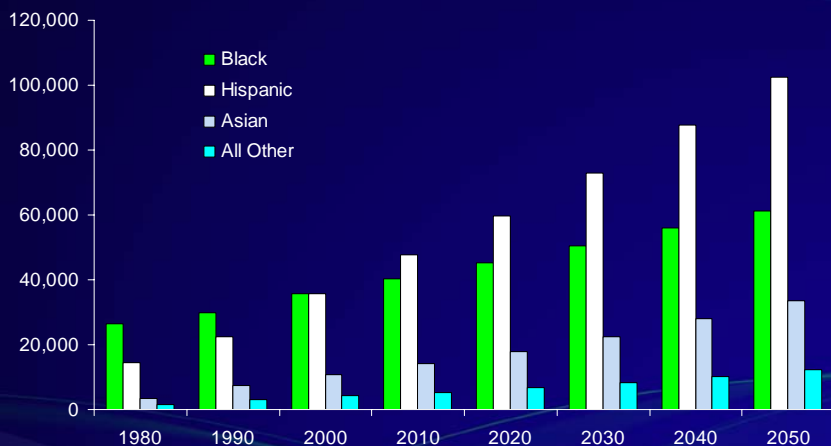
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## Population Projections



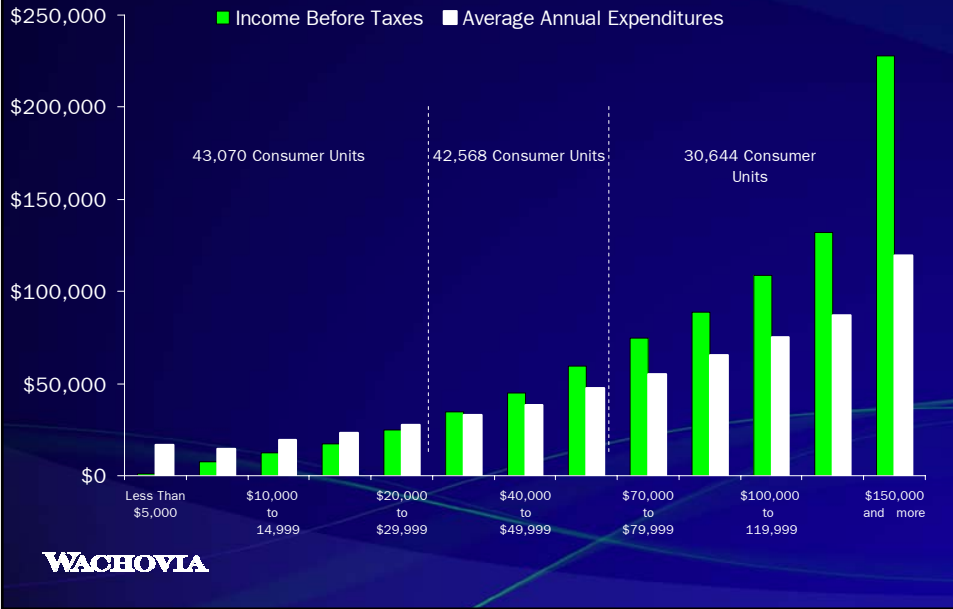
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## Minority Population Projections By Race, in Thousands

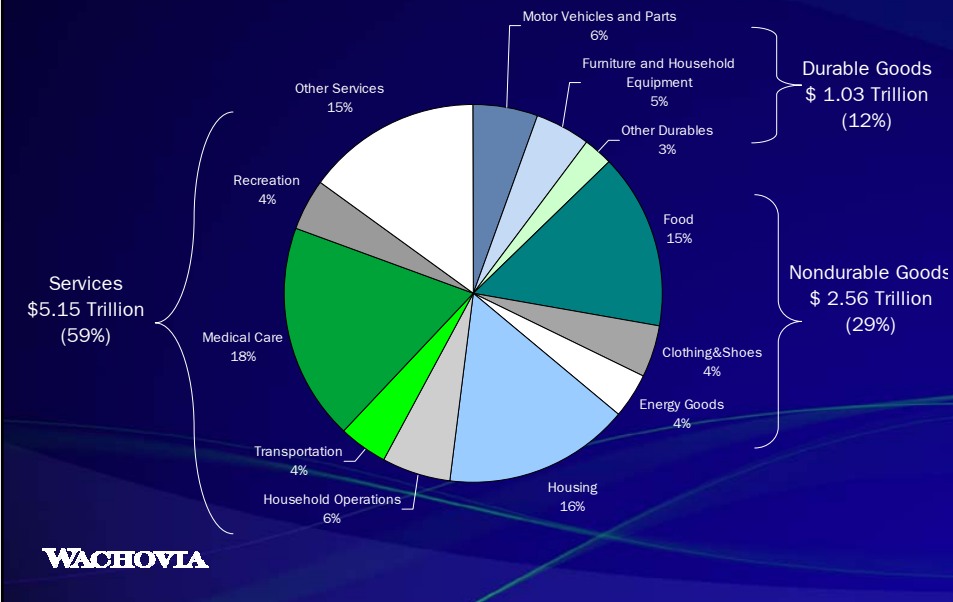


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## Spending and Earnings

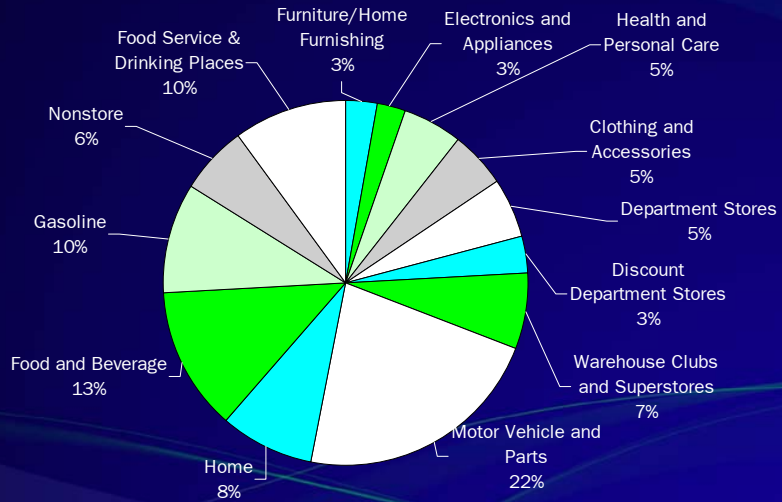


## What Do We Buy? Consumer Spending, 2005

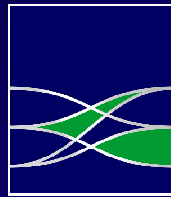


# Where Do We Shop?

## Retail Sales, 2005



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