Press Contact:
Harris Interactive, Inc.
Corporate Communications
212-539-9600
press@harrisinteractive.net

Wesley Combs
Witeck-Combs Communications
202-887-0500 x14
info@witeckcombs.com

LGBT Households Remain More Optimistic about Finances

LGBT adults likely to spend more on average this holiday season than heterosexuals

New York, N.Y. and Washington, DC – December 7, 2009 – With Black Friday unofficially launching the holiday spending season and constant news coverage of the nation's economic health, a recent survey showed one-third (34%) of lesbian, gay, bisexual and/or transgender (LGBT) adults sampled, when thinking about their household's financial condition, continue to say that they expect it to get better in the next 6 months, compared with just 17% of heterosexual adults. This is a significant increase from March 2009 when 25% of LGBT adults expected their household's financial condition to get better. In March a slightly higher 19% of heterosexual adults said that their situation would get better.

The new nationwide survey of 2,516 U.S. adults, (ages 18 and over), of whom 338 self identified as lesbian, gay, bisexual and/or transgender, was conducted online between November 2 and 11, 2009, by Harris Interactive, a global market research and consulting firm, in conjunction with Witeck-Combs Communications, Inc., a strategic public relations and marketing communications firm with special expertise in the LGBT market.

The survey also revealed that compared to what they spent last year on holiday gifts, 29% of LGBT adults plan to spend more. In comparison, only 9% of heterosexual adults plan to spend more.

Compared to what they spent last year on holiday gifts, 45% of LGBT adults plan to spend more on immediate family members, compared to 18% of heterosexual adults. When it comes to close friends, 31% of LGBT adults say they plan to spend more, compared to 8% of non-LGBT adults. Also, 31% of LGBT adults plan to spend more on extended family, compared to only 5% of heterosexual adults.

When it comes to bargain shopping, LGBT adults list it as less of a priority than non-LGBT adults. Only one-third (35%) of LGBT adults said finding the best sales and discounts is important when they are shopping for gifts this holiday season, compared to 65% of heterosexual adults.

"Virtually all American households have been impacted by the current recession in some ways, and we recognize that LGBT households are no more affluent than others, and are coping as best they can," said Wesley Combs, President of Witeck-Combs Communications. "This holiday season, retailers will have to work extra hard to win consumers, all of whom are trying to make their dollars go further. Smart marketers who welcome LGBT purchasing power, as well as their families' needs and their sustained optimism about the economy will be ahead of their competitors at the end of this holiday season."

Looking at where LGBT and non-LGBT adults plan to do their holiday shopping this year, we can also see a few gaps. When asked to think about where they purchased gifts last holiday season:

- Nearly half (47%) of LGBT adults plan to spend more at discount stores (e.g. Wal-Mart, Target), compared to 25% of heterosexual adults.
- 30% of LGBT adults plan to spend more at warehouse stores (e.g. Costco, B.J.'s), compared to 12% of non-LGBT adults.
- A third (34%) of LGBT adults plan to spend more at electronic stores (e.g. Best Buy, Radio Shack), compared to just 8% of heterosexual adults.
- 30% of LGBT adults plan to spend more at off price stores (e.g. Maxx, Nordstrom Rack), compared to 8% of non-LGBT adults.
- One in four (26%) of LGBT adults plan to spend more at mid-tier department stores (e.g. JCPenney, Kohl's), compared to 8% of heterosexual adults.
- 28% of LGBT adults plan to spend more at specialty stores (e.g. jewelry stores, pet stores), compared to 5% of non-LGBT adults.
- 26% of LGBT adults plan to spend more at top-tier department stores (e.g. Saks, Macy's, Nordstrom), compared to just 3% of heterosexual adults.

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Methodology

Harris Interactive conducted the study online within the United States between November 2 and 11 2009, among 2,516 adults (ages 18 and over), of whom 338 self-identified as lesbian, gay, bisexual and/or transgender. We over-sampled gay men and lesbians in order to allow for detailed analysis of these groups. Among all adults 1,961 (including 249 LGBT adults) indicate that they are shopping during the holidays.

Figures for age, sex, race, education, region and income were weighted where necessary to bring them into line with their actual proportions in the population. In addition, the results for the gay and lesbian sample were weighted separately based on profiles of the gay and lesbian population that Harris Interactive has compiled through many different online surveys. Propensity score weighting also was used to adjust for respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words "margin of error" as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Interactive surveys. The data have been weighted to reflect the composition of the adult population. Because the sample is based on those who agreed to participate in the Harris Interactive panel, no estimates of theoretical sampling error can be calculated.

About Harris Interactive

Harris Interactive is one of the world's leading custom market research firms, leveraging research, technology, and business acumen to transform relevant insight into actionable foresight. Known widely for the Harris Poll and for pioneering innovative research methodologies, Harris offers expertise in a wide range of industries including healthcare, technology, public affairs, energy, telecommunications, financial services, insurance, media, retail, restaurant, and consumer package goods. Serving clients in over 215 countries and territories through our North American, European, and Asian offices and a network of independent market research firms, Harris specializes in delivering research solutions that help us – and our clients – stay ahead of what's next. For more information, please visit www.harrisinteractive.com.

About Witeck-Combs Communications, Inc.

Witeck-Combs Communications, Inc. is the nation's premier marketing communications and consulting firm, specializing in developing and implementing effective strategies reaching the gay and lesbian consumer market. With over 16 years experience in this unique market, Witeck-Combs Communications not only serves as a bridge between corporate America and lesbian, gay, bisexual and transgender consumers (LGBT), but also provides counsel to countless non-profit organizations that aim to educate the public on gay and lesbian issues or to better reach their LGBT membership.

In April 2003, American Demographics magazine identified Bob Witeck and Wes Combs as two of 25 experts over the last 25 years who have made significant contributions to the fields of demographics, market research, media and trendspotting for their path breaking work on the gay and lesbian market, and in 2006 Bob Witeck and Wes Combs co-authored **Business Inside Out: Capturing Millions of Brand Loyal Gay Consumers** (Kaplan Publishing), considered the first-ever book on marketing insights, practical tips and strategies targeting the LGBT market. They have appeared in worldwide media outlets including Fortune, CNBC, CNN, Reuters, Associated Press, Ad Age, New York Times and Washington Post. For more information visit www.witeckcombs.com.

TABLE 1
EXPECTATIONS FOR HOUSEHOLD FINANCIAL CONDITION – NEXT 6 MONTHS
"Thinking about your household's financial condition, do you expect it to be better or worse in the next 6 months?
Base: All Adults

	LGBT Adults		Heterosexual Adults	
	Nov 2009	**Mar 2009**	**Nov 2009**	**Mar 2009**
	%	**%**	**%**	**%**
Better (NET)	**34**	**25**	**17**	**19**
Will be much better	7	1	3	5
Will be somewhat better	27	24	15	14
Will remain the same	48	52	47	45
Worse (NET)	**18**	**23**	**36**	**36**
Will be somewhat worse	12	12	24	27
Will be much worse	5	11	12	9

TABLE 2
PLANNING TO SPEND ON HOLIDAY GIFTS THIS YEAR
"Compared to what you spent last year on holiday gifts, do you plan to spend…?"

Base: Doing Holiday Shopping (79% of adults)

	LGBT Adults	Heterosexual Adults
	Nov 2009	**Nov 2009**
	%	**%**
Spend More (NET)	29	**9**
Much more this holiday season	7	2
Somewhat more	22	7
About the same	44	43
Spend Less (Net)	**26**	**47**
Somewhat less	14	25
Much less this holiday season	12	22
Not applicable	1	1

TABLE 3
PLANNING TO SPEND ON FAMILY, FRIENDS AND OTHERS
"Compared to what you spent last year on holiday gifts, how much do you plan to spend on each of the following this holiday season?"

Base: Doing Holiday Shopping (79% of adults)

Summary Spend More (Much or Somewhat More)

	LGBT Adults	Heterosexual Adults
	Nov 2009	**Nov 2009**
	%	**%**
Immediate family members	45	18
Extended family members	31	5
Close friends	31	8
Friendly acquaintances	25	4
Colleagues and Employees	22	3
Service providers (your physician, lawn service, mailman)	20	3

Summary Spend Less (Much or Somewhat Less)

	LGBT Adults	Heterosexual Adults
	Nov 2009	**Nov 2009**
	%	**%**
Immediate family members	12	22
Extended family members	27	41
Close friends	20	36
Friendly acquaintances	30	48
Colleagues and Employees	32	48
Service providers (your physician, lawn service, mailman)	32	45

TABLE 4
MOST IMPORTANT REASONS FOR HOLIDAY SHOPPING
"While all may be important to you, which **one** of these is most important to you when you are shopping for gifts this holiday season?"

Base: Doing Holiday Shopping (79% of adults)

	LGBT Adults	Heterosexual Adults
	Nov 2009	**Nov 2009**
	%	**%**
Finding the best sales and discounts	35	65
Shopping where the experience is calm and enjoyable	23	11
Shopping wherever its most convenient	11	10
Shopping where I can get the best customers service	13	7
Shopping at stores where I have built a relationship where I routinely shop	10	5
Shopping where I can find the "hot" products of the season	7	2

TABLE 5
WHICH STORES WILL HAVE MORE HOLIDAY SPENDING
"Thinking of where you purchased gifts last holiday season, do you plan to spend more, less or about the same amount of money in the following types of stores?"

Base: Doing Holiday Shopping (79% of adults)

Summary Spend More (Much or Somewhat More)

	LGBT Adults	Heterosexual Adults
	Nov 2009	Nov 2009
	%	%
Discount stores (e.g., Wal-mart, Target)	47	25
Warehouse stores (e.g., Costco, B.J.'s)	30	12
Electronic stores (e.g., Best Buy, Radio Shack)	34	8
Off price stores (e.g., TJ Maxx, Nordstrom Rack)	30	8
Mid-tier department stores (e.g, JC Penny, Kohl's)	26	8
Specialty stores (e.g., jewelry stores, pet stores)	28	5
Top-tier department stores (e.g., Saks, Macy's, Nordstrom)	26	3

Summary Spend Less (Much or Somewhat Less)

	LGBT Adults	Heterosexual Adults
	Nov 2009	Nov 2009
	%	%
Discount stores (e.g., Wal-mart, Target)	10	19
Warehouse stores (e.g., Costco, B.J.'s)	23	36
Electronic stores (e.g., Best Buy, Radio Shack)	29	42
Off price stores (e.g., TJ Maxx, Nordstrom Rack)	20	41
Mid-tier department stores (e.g, JC Penny, Kohl's)	24	35
Specialty stores (e.g., jewelry stores, pet stores)	32	50
Top-tier department stores (e.g., Saks, Macy's, Nordstrom)	37	53