

# Is The Economy Feeling The Holiday Spirit? PNC Christmas Price Index Surges 4.8 Percent In 2012

**- Prices for Six Items in "The Twelve Days of Christmas" Song on Par With 2011, But Drought Causes Swans and Geese Prices to Soar -**

PITTSBURGH, Nov. 26, 2012 /PRNewswire/ -- An improving economy coupled with a severe drought that caused increased feed costs for large birds generated a 4.8 percent surge in the 2012 PNC Christmas Price Index®, the whimsical economic analysis by PNC Wealth Management.

To view the multimedia assets associated with this release, please click:

<http://www.multivu.com/mnr/42897-pnc-christmas-price-index>

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Based on the gifts in the holiday classic, "*The Twelve Days of Christmas*," the price tag for the PNC CPI is \$25,431.18 in 2012, \$1,168 more than last year. The CPI increased by a modest 3.5 percent last year following a 9.2 percent leap in 2010.

The 29<sup>th</sup> annual survey results were revealed this morning on an enhanced website ([www.pncchristmaspriceindex.com](http://www.pncchristmaspriceindex.com)) that includes an innovative worldwide gift hunt using the web. The website also reflects PNC's commitment to education by teaching economic trends through the PNC CPI.

This year, the PNC CPI's increase outpaced the government's Consumer Price Index, which stands at 2.2 for the past 12 months through September. The core index, removing volatile food and energy prices, is also at 2.0 percent.

"The rise of the PNC CPI is larger than expected considering the modest economic growth we've had over the past 12 months," said Jim Dunigan, managing executive of investments for PNC Wealth Management. "Despite some weak spots in the economy, consumer balance sheets are improving along with consumer confidence, which means this may still be a spirited holiday season."

As part of its annual tradition, PNC Wealth Management also tabulates the "True Cost of Christmas," which is the total cost of items gifted by a True Love who repeats all of the song's verses. This holiday season is the most expensive year ever: very thoughtful True Loves must fork over \$107,300.24 for all 364 gifts, an even more generous jump of 6.1 percent increase compared to last year.

## Inflation Flag and Index Highlights

Much like the government's CPI, the PNC CPI also measures a Core Index – up a modest 2.6 percent this year - that excludes the Swans, which tend to be the most volatile in the index. Swans rose by 11.1 percent, continuing the momentum of last year's 12.5 percent increase, to \$7,000.

## Other Key Components Include:

- **Six items** (the Partridge, Two Turtle Doves, Four Calling Birds, Eight Maids-A-Milking, Nine Ladies Dancing and 10 Lords-A-Leaping) remained the same price as last year.
- **Sounding an Increase:** The prices for 11 Pipers Piping (\$2,562.00) and 12 Drummers Drumming (\$2,775.50) advanced this year, both up 5.5 percent.
- **Pear Tree:** Economists report that housing prices may have bottomed and this trend is reflected in the PNC CPI as the home to the Partridge jumped 11.8 percent to \$189.99. The Three French Hens were up 10.0 percent and the Five Gold Rings, which soared 16.3 percent, played catch up with the dramatic rise in gold prices in 2011.
- **Maids-a-Milking:** As the only unskilled laborers in the PNC CPI, the price for the eight Maids-a-Milking is represented by the minimum wage. With the minimum wage flat at \$7.25 per hour, hiring the maids this year will not increase labor costs.

The PNC CPI's sources include retailers, the National Aviary in Pittsburgh and the Philadelphia-based Philadanco and Pennsylvania Ballet Company.

## Cyber Prices: The Cost of Convenience

For those True Loves who prefer the convenience of shopping online, PNC Wealth Management calculates the cost of "*The Twelve Days of Christmas*" gifts purchased on the Internet.

This year, the trends identified in the traditional index are repeated in the Internet version. True Loves will pay a grand total of \$40,440 to buy the items online. That is 1.5 percent more expensive than last year and almost \$580 more than this year's traditional index.

"In general, Internet prices are higher than their non-Internet counterparts because of premium shipping costs for birds and the convenience factor of shopping online," Dunigan said.

## Special Present: Updated Website

For a historical look at PNC's index, the updated website can be viewed at [www.pncchristmaspriceindex.com](http://www.pncchristmaspriceindex.com). The site includes an interactive scavenger hunt where visitors take a trip around the world to locate the 12 gifts of Christmas.

Each year, educators across the country use the Christmas Price Index to teach economic trends to middle and high school students. With that in mind, this year's site includes interactive activities, annual results and PNC CPI trends in a Flash presentation, MP3 downloads and much more.

Educators who visit the site will also find lesson plans on the Christmas Price Index from The Stock Market Game™ (SMG), a program of the Securities Industry and Financial Markets Association Foundation for Investor Education ([www.sifma.org/education](http://www.sifma.org/education)). The enhanced activities are specially designed to help students identify economic trends and to project their impact on this year's Index, giving them the opportunity to make predictions and check their success against actual results. SMG is America's premier educational stock market simulation. Available in all 50 states for grades 4-12, the SMG program teaches children core academic and investment skills.

To view or download broadcast quality video and other multimedia assets related to this announcement, visit <http://pnc.thedigitalcenter.com>. In addition, follow #PNCcpi on Twitter.

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[PNC CHRISTMAS PRICE INDEX TABLE FOLLOWS]

### 2012 PNC Christmas Price Index®

TRADITIONAL					INTERNET				
				% Change					% Change
	2011	2012	2012/11		2011	2012	2012/11		
One Partridge in a Pear Tree	\$ 184.99	\$ 204.99	10.8%		\$ 242.44	\$ 242.44	0.0%		
Partridge	\$ 15.00	\$ 15.00	0.0%		\$ 80.00	\$ 80.00	0.0%		
Pear Tree	\$ 169.99	\$ 189.99	11.8%		\$ 162.44	\$ 162.44	0.0%		
Two Turtle Doves	\$ 125.00	\$ 125.00	0.0%		\$ 445.00	\$ 365.00	-18.0%		
Three French Hen	\$ 150.00	\$ 165.00	10.0%		\$ 300.00	\$ 315.00	5.0%		
Four Calling Birds	\$ 519.96	\$ 519.96	0.0%		\$ 520.00	\$ 550.00	5.8%		
Five Gold Rings	\$ 645.00	\$ 750.00	16.3%		\$ 699.70	\$ 874.75	25.0%		
Six Geese-a-Laying	\$ 162.00	\$ 210.00	29.6%		\$ 1,386.60	\$ 1,386.60	0.0%		
Seven Swans-a-Swimming	\$ 6,300.00	\$ 7,000.00	11.1%		\$ 10,412.50	\$ 10,850.00	4.2%		
Eight Maids-a-Milking	\$ 58.00	\$ 58.00	0.0%		\$ 337.92	\$ 339.84	0.6%		
Nine Ladies Dancing	\$ 6,294.03	\$ 6,294.03	0.0%		\$ 8,322.55	\$ 8,322.55	0.0%		

10 Lords-a-Leaping	\$	4,766.70	\$	4,766.70	0.0%	\$	13,373.35	\$	13,373.35	0.0%
11 Pipers Piping	\$	2,427.60	\$	2,562.00	5.5%	\$	2,200.00	\$	2,200.00	0.0%
12 Drummers Drumming	\$	2,629.90	\$	2,775.50	5.5%	\$	1,620.00	\$	1,620.00	0.0%
Total Christmas Price Index	\$	24,263.18	\$	25,431.18	4.8%	\$	39,860.06	\$	40,439.53	1.5%
True cost of Christmas in song	\$	101,119.84	\$	107,300.24	6.1%	\$	174,382.93	\$	177,957.93	2.1%
"Core" index, excluding swans	\$	17,963.18	\$	18,431.18	2.6%	\$	29,447.56	\$	29,589.53	0.5%

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