

Love for sale, 15 percent off

Recession prompts people to cut back this Valentine's Day

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updated 9:14 a.m. ET, Tues., Feb. 10, 2009

For Valentine's Day two years ago, Jason Jones gave his fiancée a necklace from Tiffany & Co.

This year, the couple is going to the park with their 2-year-old daughter, and renting a movie on the way home. It may not be the Valentine's Day of their dreams, but faced with a steep drop in income it's the one the couple feels they can afford.

"She's disappointed because girls love Valentine's Day, but she also knows the reality of it," Jones said.

Economic hard times are forcing many Americans to focus on love over money this Valentine's Day, with many saying they will trade a lavish dinner out for a cozy meal at home, and expensive bouquets for cheaper greeting cards.

A recent survey from consulting firm Brand Keys found that Americans will spend an average of 15 percent less this Valentine's Day than they did last year, marking the first such drop in years.

A separate study, conducted by BIGresearch for the National Retail Federation, found that consumers plan to spend an average of \$102.50 on Valentine's Day this year, down from \$122.98 last year.

Overall, the International Council of Shopping Centers is expecting U.S. chain store sales to be down 1 to 2 percent in February, as compared to the same period last year.

A drop in Valentine's Day sales would mark yet another blow to retailers who are still reeling from a weak winter holiday season, in which nervous consumers tightened their belts because of the recession. The Valentine's Day survey demonstrates that economic uncertainty continues, said Robert Passikoff, the founder of Brand Keys.

"The national psyche is a bunker mentality," Passikoff said.

The move to a more frugal celebration also comes after eight years during which Valentine's Day spending grew substantially, as Americans branched out from just giving flowers to that one special person to exchanging presents with family, friends and even officemates.

"Valentine's Day was like this nothing kind of holiday — you know, grandparents and school kids did it," Passikoff said.

But starting around 2000, he said, it began to grow into a bigger holiday, with gifts all around.

"It was not just for your sweetheart anymore," he said.

Passikoff expects people to continue celebrating Valentine's Day with family and friends. But he thinks more people will celebrate more frugally, perhaps sending a card instead of giving a gift card.

John McHugh, a self-employed financial planner, used to regularly spend about \$300 sending Valentine's Day flowers to his daughters and granddaughters, and treating his wife to a special dinner.

This year, he's opting to send only cards.

McHugh is cutting back in part because he's worried that business could drop off in the coming months. It's also because, at age 67, he wants to make sure he's got enough money for his later years.

Like many Americans, the Richmond, Va., resident doesn't expect to go back to the days of more lavish spending anytime soon.

"From our standpoint it's going to be a little more of a permanent adjustment," he said.

A home-cooked meal

Harry Balzer, a vice president with NPD Group and an expert on national food trends, won't be surprised if more men end up cooking for their significant others this year, instead of taking them out to dinner, following a trend in that direction.

Still, Balzer said that in general Americans continue to eat out in the down economy. The change has been that they may be choosing cheaper restaurants or opting to eat out for breakfast instead of dinner because it's a less costly meal.

David McDonnell still plans to take his wife out to their favorite steakhouse this Valentine's Day. But instead of ordering a pricey bottle of wine and two desserts, the couple will sip tea and split one dessert, in an effort to keep the bill under \$100.

"We'll be mindful as we go through the menu," he said.

This year, McDonnell, 47, also is sending his wife roses on Feb. 12 instead of Feb. 14 and will use a less costly flower company, saving a total of about \$65.

A few years back, McDonnell and his wife, who live in Sparks, Nev., might have planned a trip to Disneyland or a romantic getaway to the coast for Valentine's Day.

"Price was not an issue," he said. "We didn't go crazy, but we did something significant."

But things started to change last year when McDonnell, who at the time sold power sports equipment, started to see business drop off significantly. His income fell by about 40 percent last year, and a few months ago he was laid off.

Now, McDonnell is hoping to start a new career as a health insurance salesman, on the theory that the recent job losses will leave more people looking for independent health insurance. Meanwhile, he's thankful his wife's job appears to be secure.

"It's been a lifesaver," he said.

Jones, the man who two years ago splurged on a necklace for Valentine's Day, also has seen his circumstances change dramatically.

Until a year and a half ago, the 28-year-old said he was earning \$40,000 a year as a sales manager for an alarm company. He was let go from that job but soon landed another job, making \$30,000 a year working for a call center company.

Jones, who lives in Las Cruces, N.M., was laid off from that job as well, and now he's working as a customer relations representative, earning just \$8.08 an hour — less than half what he once made.

Luckily, Jones said his fiancée's job as a paralegal is secure. Still, Jones, who was recently treated for skin cancer, has had to turn to state aid to keep up with food and child care costs. It's something he always vowed he would never do after watching his mother struggle as a single parent raising three kids. But now, as a parent himself, he felt he had no choice.

"It sounds like a really sad story, but it's not," he said during a recent break from work. "We're able to make it day-to-day, but it's not like it used to be. Valentine's Day is a joke because it's a luxury, you know?"

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