



behavior research center's

Rocky Mountain Poll

NEWS RELEASE [RMP 2005-I-01]

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CONSUMER CONFIDENCE RISES IN ARIZONANS CONFIDENCE CONTINUES SURGE IN MARICOPA

Phoenix, Arizona, January 20, 2005. Consumer confidence in Arizona rose to 104.3 in January from 101.1 in October and is well above the 92.2 level registered in January of 2004. The statewide confidence index is fully 20 points higher than in January of 2003.

The rise in the Index continues to be fueled by surging confidence in Maricopa County – so strong in fact that it has more than overcome a fall-off in consumer confidence in Tucson. For example, while the Index has dropped to 91.0 from 93.5 in Tucson over the past quarter, in Phoenix the Index rose to 107.9 from 103.2 in October and from 94.3 at the beginning of last year and only 84.6 in January of 2003.

Belief that business conditions are improving and that the job market may be beginning to take off are the key factors underpinning the rise in the Index. For the first time in three and one-half years, the proportion who describe business conditions as “good” is approaching 50 percent (49%) – a level that has not been seen since July 2001. We are also registering an important decrease in the proportion of consumers who say “jobs are hard to get”, now registering only 21 percent compared to 29 percent in October, and 32 percent last January and the January before.

Equally important, there appears to be some continuing improvement in the proportion of consumers who believe business and employment conditions will continue to improve in the first half of the year – this is an especially important indicator if it is a bellwether

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of increased consumer spending. The caveat in this observation that needs to be noted, however, is that we simultaneously record a decline in the proportion who believe family income will improve in the coming months. This in turn may reflect consumer belief that while business conditions may be improving, the gains may not trickle down to them for months to come. It may, as well, reflect consumer awareness that they have much debt to clear up before they will see their incomes begin to rise.

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EDITOR'S NOTE: This Rocky Mountain Poll Arizona (2005-I-01) is based on 703 telephone interviews with adults, conducted from January 5th through January 10th, 2005, throughout Arizona. In the overall sample, one may say with 95 percent certainty that the results have a statistical precision of plus or minus 3.7 percent of what they would have been had the entire adult population been surveyed. The Maricopa and Pima County segments include 570 interviews and have a margin of error of plus or minus 4.2 percent. The Rocky Mountain Poll is conducted by the Behavior Research Center of Arizona and is an independent and non-partisan research program.

This statement conforms to the principles of disclosure of the National Council on Public Polls.

ENCLOSED: Statistical data for reference.

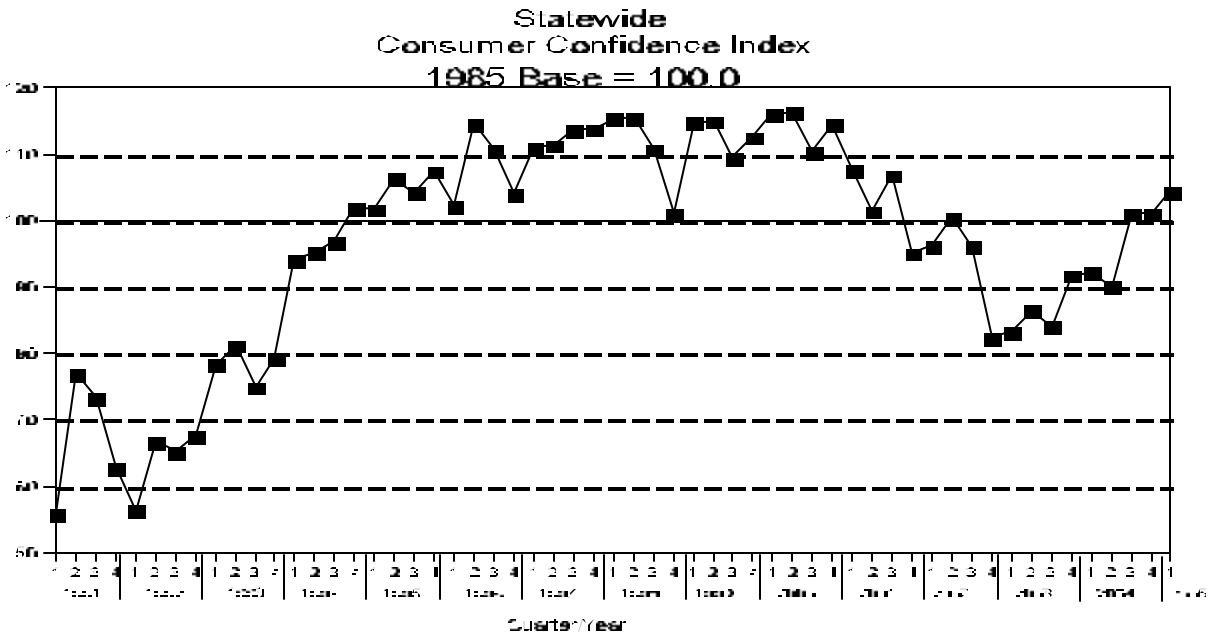
STATISTICAL DATA

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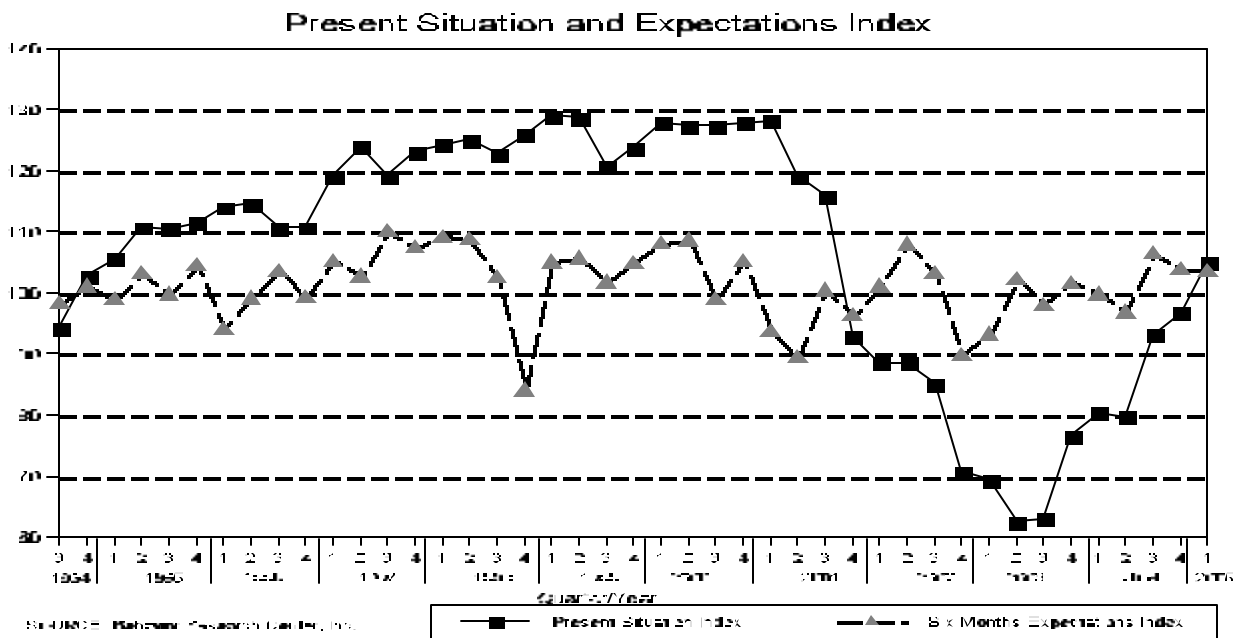
ARIZONA CONSUMER CONFIDENCE INDEX — January 2005

For this and other polls, see www.brcpolls.com/results.

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SOURCE: Behavior Research Center, Inc.



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| | 2005 | | 2004 | | | | 2003 | | | | 2002 | | |
|-----------------------------------|--------------|-------|-------|------|-------|-------|------|------|------|------|-------|-------|--|
| | Jan | Oct | July | Apr | Jan | Oct | July | Apr | Jan | Oct | July | Apr | |
| <u>Consumer Confidence Index</u> | | | | | | | | | | | | | |
| Statewide | 104.3 | 101.1 | 101.3 | 90.1 | 92.2 | 91.8 | 84.1 | 86.5 | 83.3 | 82.3 | 96.1 | 100.4 | |
| Phoenix | 107.9 | 103.2 | 102.5 | 89.3 | 94.3 | 93.0 | 87.9 | 86.6 | 84.6 | 85.5 | 96.6 | 102.3 | |
| Tucson | 91.0 | 93.5 | 96.4 | 91.7 | 84.4 | 88.5 | 72.0 | 83.1 | 82.3 | 76.2 | 92.7 | 93.8 | |
| <u>Index Detail (Statewide):</u> | | | | | | | | | | | | | |
| Present Situation Index | 105.0 | 96.8 | 93.2 | 79.7 | 80.4 | 76.7 | 63.0 | 62.6 | 69.4 | 70.8 | 85.2 | 88.6 | |
| Expectation Index (Next 6 Months) | 103.8 | 104.0 | 106.7 | 97.1 | 100.0 | 101.9 | 98.2 | 5 | 93.4 | 90.0 | 103.4 | 108.2 | |

*Appraisal of Present Situation:
Percent Holding Attitude*

Business Conditions:

| | | | | | | | | | | | | |
|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Good | 49% | 43% | 44% | 43% | 39% | 37% | 32% | 34% | 32% | 33% | 37% | 41% |
| Normal | 39 | 38 | 39 | 39 | 39 | 45 | 42 | 41 | 47 | 45 | 42 | 41 |
| Bad | 8 | 12 | 14 | 14 | 14 | 15 | 20 | 19 | 16 | 19 | 16 | 13 |
| Not sure | 4 | 7 | 3 | 4 | 8 | 3 | 6 | 6 | 5 | 3 | 5 | 5 |

Employment:

| | | | | | | | | | | | | |
|------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Jobs plentiful | 32% | 31% | 31% | 25% | 24% | 22% | 15% | 16% | 18% | 21% | 27% | 27% |
| Not so many | 28 | 28 | 32 | 26 | 29 | 32 | 35 | 30 | 35 | 36 | 32 | 32 |
| Jobs hard to get | 21 | 28 | 26 | 35 | 32 | 32 | 37 | 40 | 32 | 32 | 26 | 25 |
| Not sure | 19 | 13 | 11 | 14 | 15 | 14 | 13 | 14 | 15 | 11 | 15 | 16 |

*Expectations For Six Month Hence:
Percent Holding Attitude*

Business Conditions:

| | | | | | | | | | | | | |
|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Better | 36% | 32% | 38% | 36% | 40% | 45% | 39% | 41% | 36% | 30% | 38% | 43% |
| Same | 49 | 49 | 46 | 46 | 42 | 39 | 46 | 42 | 45 | 46 | 46 | 41 |
| Worse | 10 | 9 | 9 | 11 | 11 | 9 | 10 | 9 | 13 | 16 | 8 | 9 |
| Not sure | 5 | 10 | 7 | 7 | 7 | 7 | 5 | 8 | 6 | 8 | 8 | 7 |

Employment:

| | | | | | | | | | | | | |
|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| More jobs | 34% | 31% | 40% | 31% | 36% | 37% | 35% | 37% | 30% | 32% | 32% | 42% |
| Same | 41 | 41 | 35 | 39 | 35 | 37 | 39 | 39 | 40 | 35 | 43 | 32 |
| Fewer jobs | 15 | 17 | 15 | 19 | 19 | 18 | 18 | 15 | 21 | 24 | 16 | 15 |
| Not sure | 10 | 11 | 10 | 11 | 10 | 8 | 8 | 9 | 9 | 9 | 9 | 11 |

Family Income:

| | | | | | | | | | | | | |
|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Higher | 27% | 31% | 35% | 26% | 26% | 28% | 26% | 23% | 26% | 26% | 30% | 29% |
| Same | 63 | 62 | 60 | 66 | 66 | 64 | 65 | 67 | 65 | 67 | 64 | 65 |
| Lower | 6 | 5 | 4 | 5 | 5 | 6 | 7 | 6 | 6 | 5 | 4 | 4 |
| Not sure | 4 | 2 | 1 | 3 | 3 | 2 | 2 | 4 | 3 | 2 | 2 | 2 |

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| | Rating Of <i>Current</i> General Business Conditions | | | Rating Of <i>Current</i> Job Availability | |
|------------|--|----------------|-------------|---|----------------|
| | Maricopa County | Pima County | | Maricopa County | Pima County |
| Good | 52% | 37% | Plenty | 35% | 24% |
| Normal | 37 | 46 | Not so many | 26 | 34 |
| Bad | 7 | 10 | Hard to get | 20 | 25 |
| Don't know | 4 | 7 | Don't know | 19 | 17 |

| | Rating Of General Business Conditions <i>Six Months Hence</i> | | | Rating Of Job Availability <i>Six Months Hence</i> | |
|-------------------|--|----------------|-------------------|--|----------------|
| | Maricopa County | Pima County | | Maricopa County | Pima County |
| Better | 37% | 30% | More | 35% | 30% |
| About the same | 48 | 53 | About the same | 41 | 39 |
| Worse | 10 | 10 | Fewer | 14 | 19 |
| Don't know | 5 | 7 | Don't know | 10 | 12 |

| | Rating Of Family Income <i>Six Months Hence</i> | |
|-------------------|---|----------------|
| | Maricopa County | Pima County |
| Higher | 28% | 21% |
| About the same | 62 | 68 |
| Lower | 6 | 8 |
| Don't know | 4 | 3 |

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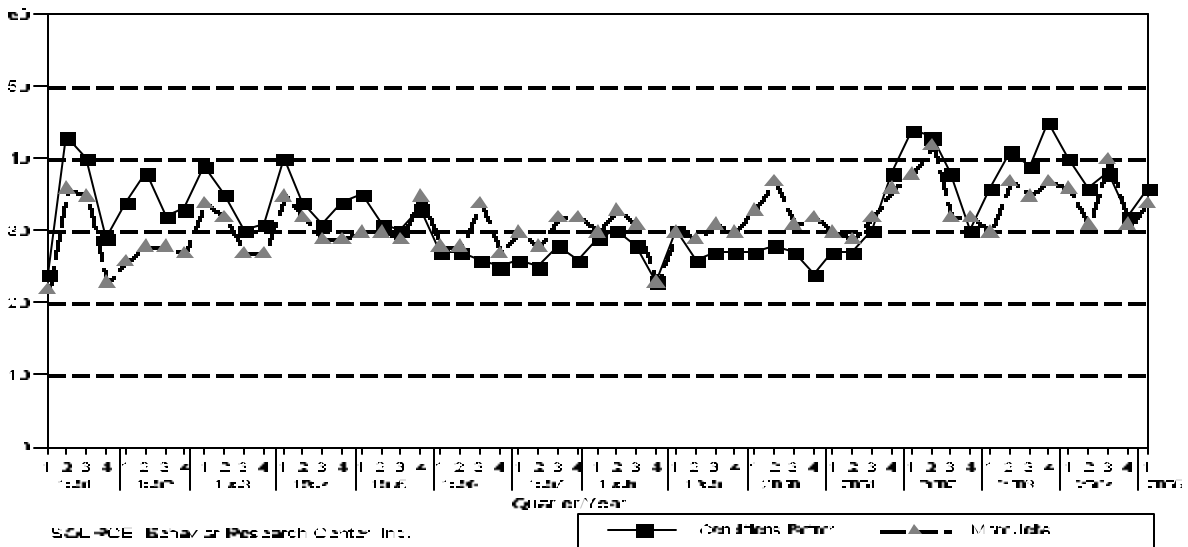
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**% with Positive Attitudes on
Future Business Conditions and Job Market**



**% with Positive Attitudes on
Current Business Conditions and Job Market**

