



behavior research center's

Rocky Mountain Poll

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ARIZONA CONSUMER CONFIDENCE STABLE:
CURRENT ECONOMY RATED STRONGER THAN ANY TIME SINCE 2008
BUT CONCERNS LINGER ABOUT THE FUTURE

Phoenix, Arizona, May 1, 2013. Arizonan's confidence in the present economic climate have improved nicely in April rising from 40.6 in October to 52.0 in the current survey of Arizona consumers. This 52.0 reading is the highest "Present Situation" Index figure since the spring of 2008 when it registered at 69.7 and then in the following quarter plummeted to 22.1. It remained in the doldrums until just recently when it began to rise again in October of 2012. It should be noted however, that although the Index on Present Conditions is improved, when it is really positive, it can climb to levels as high as 125 or more.

The over all Consumer Confidence Index is comprised to two important components: (a) what consumers think of the economy today (Present) and (b) what they expect it will be six months hence, (Expectations). Thus, for the overall Consumer Confidence Index to really be considered ebullient both the Present Situation and the Expectations Index need to rise simultaneously. Today, unfortunately, while the Present Situation Index is rising, the Expectations Index has lost some of the steam that it had last October. Today the Expectations Index, which looks six months ahead, has declined to 81.3 after rising to 91.8 last October. The current reading is the lowest in 15 months. Research Director for Behavior Research Center Earl de Berge noted that the fall off in the Expectation Index cannot be attributed to the recent terrorist activities in Boston that shook the nation because nearly all interviewing was completed prior to that event. More likely, recent stories about the growing instability of major European economies such as France and Spain may have consumers on edge about the future. Americans perhaps more than ever are aware that the health of the U.S. economy is not independent of the rest of the world.

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The net result when the two indices are merged to calculate the overall Consumer Confidence Index, is that we see a modest decline from 71.3 in October to 69.6 today. Still, the current reading is off only 1.7 points and is the second highest readings since May of 2008.

All in all, Arizonans believe current business and employment conditions in the state are superior to last October. For example, 29 percent say business conditions today are “good” compared to 20 percent in October. Similarly, the proportion characterizing business conditions as “bad” dropped to 24 from 31 percent in October. Attitudes toward the current job market also continue to improve, albeit less energetically. Thirteen percent today say “jobs are plentiful” compared to 12 percent in October and only eight percent in April, 2012. Additionally, the proportion describing jobs as “hard to get” declined to 43 percent from 48 percent in October and from 53 percent last April. It is still not a pretty picture, but it is better.

April 2013 is also the first time since May of 2008 that a plurality of consumers rate business conditions as “good”. Throughout the 2009 to 2011 period, more consumers rated conditions in business as “bad” than as “good”.

Two factors contributed most to the softening in the Expectations Index: a seven point increase in the proportion of consumers forecasting that business conditions may worsen in the coming six months and a ten point rise in those worrying that the job market may worsen during the same period. Notwithstanding their pessimism about the future, consumers do not expect much change in family income levels as they look ahead. This may reflect their improved skills in job hunting and perhaps in debt and credit management as well.

Finally, there are geographic variations in consumer views that may be important. The Consumer Confidence Index in Pima County rose to 65.7 from 58.0 in October but the Index fell sharply in the rural counties from 63.0 to 47.6. Maricopa readings also softened from 78.5 to 72.5.

Commenting on the April 2013 findings, Dr. Dennis Hoffman of the L. William Seidman Research Institute at the W. P. Carey School of Business noted the following: “The latest numbers from the Behavior Research Center on Consumer Confidence Survey reflect an Arizona consumer that continues to believe the economy has improved while they are a bit less confident of the future than in prior surveys. The pace of retail expenditures certainly has accelerated over the past 6 months which were characterized by a robust holiday shopping season and continued strong growth in auto sales. As the spring progresses this positive confidence in the current strength of the economy will be reflected in a reasonably brisk pace of sales. Headwinds prevail as always, but the positive phase of the real estate cycle will help underpin confidence and lead to improved economic conditions going forward.” (Dr. Hoffman may be contacted at 480-965-5362).

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

RMP (2013-II-05)

EDITOR'S NOTE: This Rocky Mountain Poll - Arizona (2013-II-05), is based on 700 interviews with adult heads of household statewide, conducted between April 3 and 16, 2013. Interviewing was conducted in English or Spanish by professional interviewers of the Behavior Research Center on both land lines and cell phones. Where necessary, figures for age, sex, and race were weighted to bring them into line with their actual proportion in the population. In a sample of this size, one can say with a 95 percent certainty that the results have a statistical precision of plus or minus 3.8 percent of what they would have been had the entire adult population been surveyed. The Rocky Mountain Poll is conducted by the Behavior Research Center of Arizona and is an independent and non-partisan research program sponsored by the Center.

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

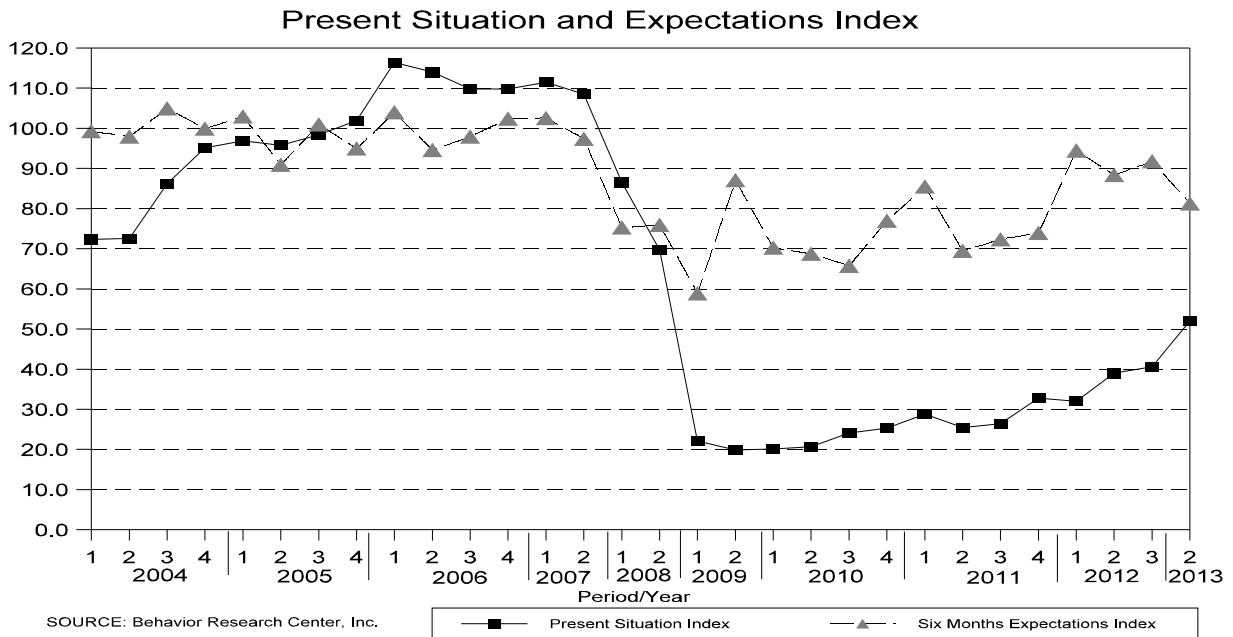
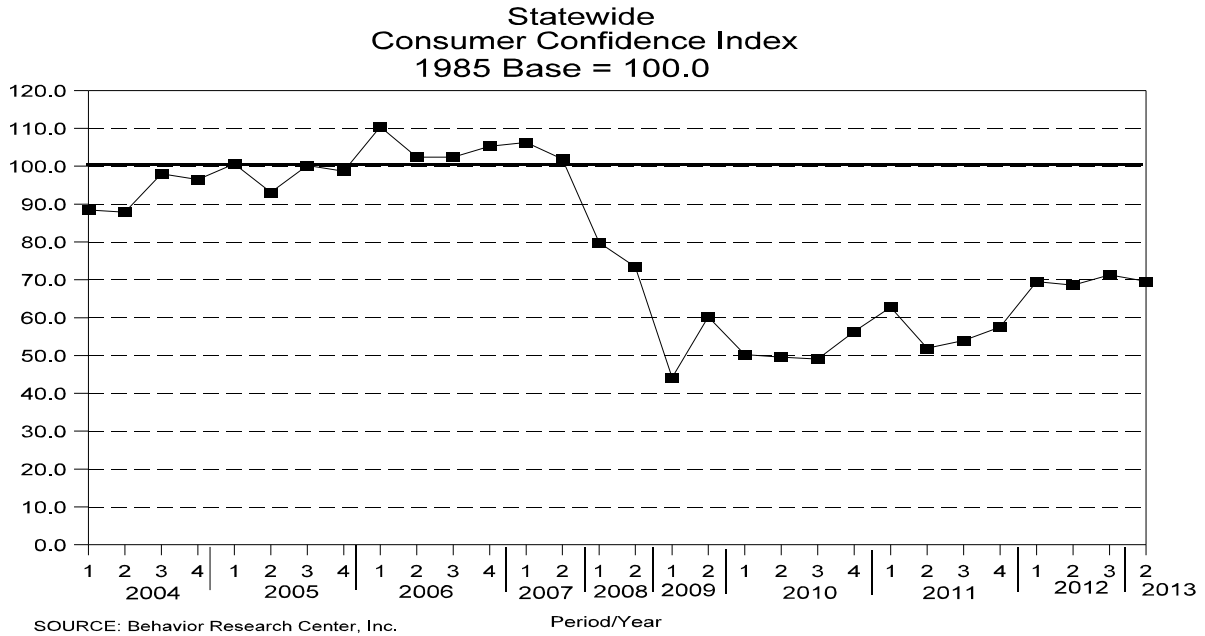
ENCLOSED: Statistical tables.

ARIZONA CONSUMER CONFIDENCE INDEX

April 2013

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RMP 2013-II-05



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	2013		2012		2011			2010		
	Apr	Oct	Apr	Jan	Oct	Jul	Apr	Jan	Oct	Jul
<u>Consumer Confidence Index</u>										
Statewide	69.6	71.3	68.6	69.5	57.5	54.0	51.9	62.8	56.3	49.1
Maricopa	72.5	78.5	75.0	73.5	63.5	60.9	56.4	63.5	55.7	52.8
Pima	65.7	58.0	66.7	70.8	48.7	40.3	50.3	74.0	54.1	41.6
Rural	47.6	63.0	55.3	58.1	45.9	44.7	41.8	54.6	59.1	43.5
<u>Index Detail (Statewide):</u>										
Present Situation Index	52.0	40.6	39.0	32.0	32.8	26.4	25.5	28.8	25.3	24.1
Expectation Index (Next 6 Months)	81.3	91.8	88.4	94.5	74.0	72.4	69.5	85.5	77.0	65.8

*Appraisal of Present Situation:
Percent Holding Attitude*

	2013	2012	2011	2010
<u>Business Conditions:</u>				
Good	29%	20%	26%	19%
Normal	43	44	40	34
Bad	24	31	29	43
Not sure	4	5	5	4
<u>Employment:</u>				
Jobs plentiful	13%	12%	8%	5%
Not so many	35	30	33	26
Jobs hard to get	43	48	53	63
Not sure	9	10	6	6

*Expectations For Six Month Hence:
Percent Holding Attitude*

	2013	2012	2011	2010
<u>Business Conditions:</u>				
Better	29%	28%	32%	25%
Same	45	42	47	48
Worse	19	12	14	22
Not sure	7	18	7	5
<u>Employment:</u>				
More jobs	27%	29%	30%	22%
Same	40	37	42	43
Fewer jobs	25	15	19	29
Not sure	8	19	9	6
<u>Family Income:</u>				
Higher	22%	22%	19%	15%
Same	67	65	69	70
Lower	8	9	9	13
Not sure	3	4	3	2

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Rating Of  
Current General  
Business Conditions

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|            | Maricopa | Pima     | Rural    |
|------------|----------|----------|----------|
| Good       | 32%      | 23%      | 25%      |
| Normal     | 43       | 48       | 41       |
| Bad        | 21       | 22       | 33       |
| Don't know | <u>4</u> | <u>7</u> | <u>1</u> |
|            | 100%     | 100%     | 100%     |

Rating Of  
Current Job  
Availability

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|             | Maricopa | Pima      | Rural    |
|-------------|----------|-----------|----------|
| Plenty      | 16%      | 8%        | 10%      |
| Not so many | 32       | 36        | 42       |
| Hard to get | 43       | 43        | 43       |
| Don't know  | <u>9</u> | <u>13</u> | <u>5</u> |
|             | 100%     | 100%      | 100%     |

Rating Of  
General Business  
Conditions  
Six Months Hence

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|                | Maricopa | Pima     | Rural     |
|----------------|----------|----------|-----------|
| Better         | 33%      | 35%      | 17%       |
| About the same | 45       | 42       | 48        |
| Worse          | 17       | 17       | 24        |
| Don't know     | <u>5</u> | <u>6</u> | <u>11</u> |
|                | 100%     | 100%     | 100%      |

Rating Of  
Job Availability  
Six Months Hence

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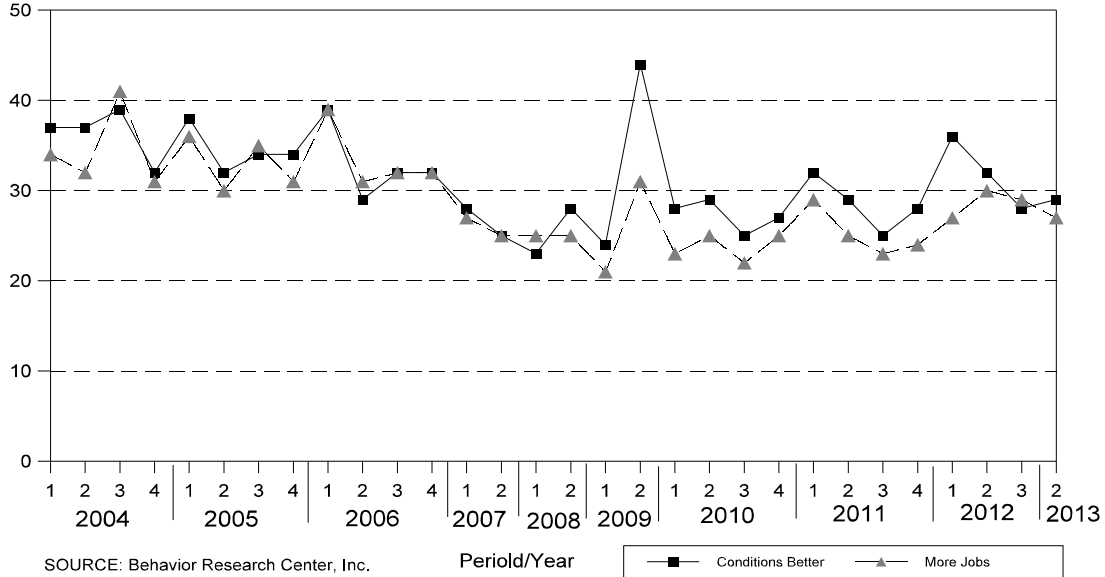
|                | Maricopa | Pima     | Rural    |
|----------------|----------|----------|----------|
| More           | 31%      | 31%      | 16%      |
| About the same | 43       | 36       | 37       |
| Fewer          | 18       | 25       | 40       |
| Don't know     | <u>8</u> | <u>8</u> | <u>7</u> |
|                | 100%     | 100%     | 100%     |

Rating Of  
Family Income  
Six Months Hence

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|                | Maricopa | Pima     | Rural    |
|----------------|----------|----------|----------|
| Higher         | 26%      | 23%      | 12%      |
| About the same | 65       | 66       | 71       |
| Lower          | 5        | 10       | 14       |
| Don't know     | <u>4</u> | <u>1</u> | <u>3</u> |
|                | 100%     | 100%     | 100%     |

% with Positive Attitudes on  
Future Business Conditions and Job Market



% with Positive Attitudes on  
Current Business Conditions and Job Market

