



*behavior research center's*

# *Rocky Mountain Poll*

NEWS RELEASE [RMP 2002-III-22]

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## CONSUMER CONFIDENCE DROPS IN ARIZONA

Phoenix, Arizona. July 19, 2002. After two consecutive quarters of modest improvement, the Consumer Confidence Index in Arizona has reversed course and dropped to 96.1 from 100.4 in April. Today's Index readings are well below the 106.8 reading of last July and the 110.4 reading of July 2000.

This marks the sixth straight quarter in which consumer assessment on the current component of the Index has eroded and the first time in six months that consumer expectations for the health of the economy in coming months has declined as well.

Consumer confidence in present economic conditions declined from 88.6 to 88.5 in July, and the index expressing their confidence in where the economy will be in six months dropped to 103.4 from 108.2 in April.

The findings outlined in this report are based on a survey of 569 Maricopa and Pima County residents conducted between July 10<sup>th</sup> and July 15<sup>th</sup>, 2002, by the Behavior Research Center of Arizona as part of the Center's independent and non-partisan Rocky Mountain Poll series. The public is welcome to visit [www.brcpolls.com](http://www.brcpolls.com) to read this and other recent polls.

Looking at components of the Index, we find that even though assessments of current employment opportunities are basically unchanged since April, there has been a decline in consumer willingness to characterize business conditions as "good" and a parallel rise in the proportion describing them as "bad." It is important to note, however, that when today's readings are compared to the same months in 2001 and in 2002, the decline in confidence is more dramatic: thus, in July of 2000, 60 percent said business conditions were "good," a number that edged downward to 54 percent the following year and now rests at only 37 percent. Consumer confidence in employment conditions eroded even more dramatically: in July of 2000, 64 percent believed jobs were "plentiful," a figure that fell to 50 percent in July of 2001 and now rests at a miserly 27 percent.

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Perhaps of greatest concern is the Expectations Index, which reflects what consumers believe may happen to business conditions, family income and the job market six months hence. These attitudes are most likely to drive consumer buying in the second half of the year and may as well affect voting patterns in the Fall. Of late, the Expectations Index has proven to be more sensitive to news of the day. After several years of rising readings, in 2000 it began to see-saw in response to political and economic news. Most recently, perhaps in response to stories about WorldCom, Enron and other profiteering by executives in major American businesses, and the last several weeks of negative news from the stock market, the Expectations Index fell 4.8 points, driven largely by a ten point negative shift in consumer belief that there will be more jobs in the coming six months and by a five point negative shift in belief that business conditions will improve by year end.

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**EDITOR'S NOTE:** This Arizona Consumer Confidence Index is based on telephone interviews with 569 adult heads of household throughout Maricopa and Pima Counties from July 10<sup>th</sup> through July 15<sup>th</sup>, 2002. 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 may say with a 95 percent certainty that the results have a statistical precision of plus or minus 4.2 percent of what they would have been had the entire adult population been surveyed. The Arizona Consumer Confidence Study is sponsored and 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.

For this and other polls, see [www.brcpolls.com/results](http://www.brcpolls.com/results).

STATISTICAL DATA

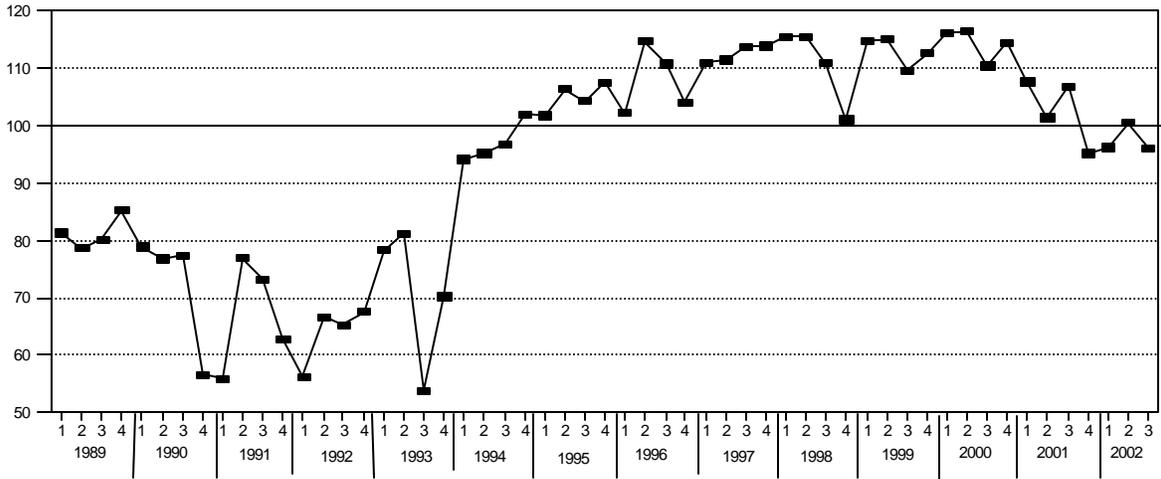
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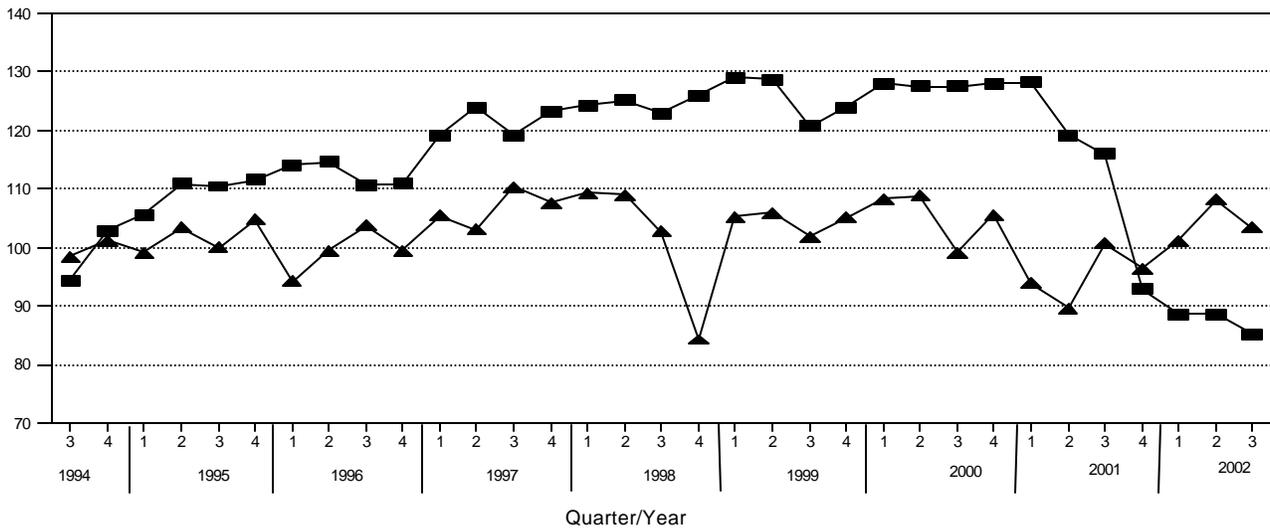
Statewide Consumer Confidence Index 1985 Base = 100.0



SOURCE: Behavior Research Center, Inc.

Quarter/Year

Present Situation and Expectatons Index



Present Situation Index
  Six Months Expectations Index

SOURCE: Behavior Research Center, Inc.

**STATISTICAL DATA**

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|                                      | 2002         |       |       | 2001 |       |       | 2000  |       |       | 1999  |       |       |       |
|--------------------------------------|--------------|-------|-------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                                      | July         | Apr   | Jan   | Oct  | July  | Apr   | Jan   | Oct   | July  | Apr   | Jan   | Oct   | July  |
| <u>Consumer Confidence Index</u>     |              |       |       |      |       |       |       |       |       |       |       |       |       |
| Statewide                            | <b>96.1</b>  | 100.4 | 96.2  | 95.1 | 106.8 | 101.4 | 107.6 | 114.5 | 110.4 | 116.3 | 116.1 | 112.6 | 109.5 |
| Phoenix                              | <b>96.6</b>  | 102.3 | 97.4  | 96.0 | 110.3 | 101.5 | 109.5 | 115.0 | 110.5 | 117.5 | 118.1 | 114.8 | 111.8 |
| Tucson                               | <b>92.7</b>  | 93.8  | 91.5  | 91.2 | 93.6  | 100.9 | 99.5  | 112.7 | 109.2 | 111.2 | 108.5 | 106.3 | 101.8 |
| <u>Index Detail (Statewide):</u>     |              |       |       |      |       |       |       |       |       |       |       |       |       |
| Present Situation Index              | <b>85.2</b>  | 88.6  | 88.6  | 92.9 | 116.0 | 119.2 | 128.2 | 128.0 | 127.5 | 127.5 | 128.0 | 123.9 | 120.7 |
| Expectation Index<br>(Next 6 Months) | <b>103.4</b> | 108.2 | 101.3 | 96.5 | 100.7 | 89.6  | 93.9  | 105.5 | 99.1  | 108.9 | 108.3 | 105.1 | 102.0 |

*Appraisal of Present Situation:  
Percent Holding Attitude*

Business Conditions:

|          |            |     |     |     |     |     |     |     |     |     |     |     |     |
|----------|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Good     | <b>37%</b> | 41% | 39% | 39% | 54% | 51% | 56% | 57% | 60% | 61% | 59% | 60% | 57% |
| Normal   | <b>42</b>  | 41  | 43  | 41  | 34  | 37  | 36  | 35  | 31  | 30  | 32  | 32  | 33  |
| Bad      | <b>16</b>  | 13  | 13  | 14  | 8   | 9   | 5   | 5   | 6   | 5   | 5   | 5   | 7   |
| Not sure | <b>5</b>   | 5   | 5   | 6   | 4   | 3   | 3   | 3   | 3   | 4   | 4   | 3   | 3   |

Employment:

|                  |            |     |     |     |     |     |     |     |     |     |     |     |     |
|------------------|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Jobs plentiful   | <b>27%</b> | 27% | 26% | 31% | 50% | 52% | 63% | 66% | 64% | 61% | 65% | 58% | 59% |
| Not so many      | <b>32</b>  | 32  | 38  | 31  | 21  | 24  | 17  | 16  | 17  | 14  | 16  | 17  | 15  |
| Jobs hard to get | <b>26</b>  | 25  | 24  | 22  | 16  | 12  | 10  | 11  | 10  | 10  | 10  | 14  | 15  |
| Not sure         | <b>15</b>  | 16  | 12  | 16  | 13  | 12  | 10  | 7   | 9   | 15  | 9   | 11  | 11  |

*Expectations For Six Month Hence:  
Percent Holding Attitude*

Business Conditions:

|          |            |     |     |     |     |     |     |     |     |     |     |     |     |
|----------|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Better   | <b>38%</b> | 43% | 44% | 38% | 30% | 27% | 27% | 24% | 27% | 28% | 27% | 27% | 27% |
| Same     | <b>46</b>  | 41  | 41  | 42  | 51  | 54  | 55  | 59  | 57  | 57  | 61  | 60  | 59  |
| Worse    | <b>8</b>   | 9   | 10  | 11  | 12  | 16  | 13  | 8   | 10  | 8   | 6   | 8   | 9   |
| Not sure | <b>8</b>   | 7   | 5   | 9   | 7   | 3   | 5   | 9   | 6   | 7   | 6   | 5   | 5   |

Employment:

|            |            |     |     |     |     |     |     |     |     |     |     |     |     |
|------------|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| More jobs  | <b>32%</b> | 42% | 38% | 36% | 32% | 29% | 30% | 32% | 31% | 37% | 33% | 30% | 31% |
| Same       | <b>43</b>  | 32  | 35  | 33  | 43  | 44  | 43  | 48  | 48  | 43  | 50  | 50  | 48  |
| Fewer jobs | <b>16</b>  | 15  | 20  | 21  | 16  | 21  | 21  | 12  | 14  | 10  | 12  | 12  | 14  |
| Not sure   | <b>9</b>   | 11  | 7   | 10  | 9   | 6   | 6   | 8   | 7   | 10  | 5   | 8   | 7   |

Family Income:

|          |            |     |     |     |     |     |     |     |     |     |     |     |     |
|----------|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Higher   | <b>30%</b> | 29% | 31% | 29% | 37% | 31% | 34% | 36% | 31% | 34% | 36% | 34% | 36% |
| Same     | <b>64</b>  | 65  | 62  | 61  | 58  | 62  | 59  | 58  | 62  | 58  | 58  | 60  | 58  |
| Lower    | <b>4</b>   | 4   | 5   | 7   | 4   | 6   | 4   | 3   | 5   | 4   | 4   | 3   | 4   |
| Not sure | <b>2</b>   | 2   | 2   | 3   | 1   | 1   | 3   | 3   | 2   | 4   | 2   | 3   | 2   |

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|                | Rating Of<br>Current General<br>Business Conditions             |                |                | Rating Of<br>Current Job<br>Availability          |                |
|----------------|-----------------------------------------------------------------|----------------|----------------|---------------------------------------------------|----------------|
|                | Maricopa<br>County                                              | Pima<br>County |                | Maricopa<br>County                                | Pima<br>County |
| Good           | 38%                                                             | 31%            | Plenty         | 27%                                               | 26%            |
| Normal         | 41                                                              | 49             | Not so many    | 32                                                | 31             |
| Bad            | 16                                                              | 15             | Hard to get    | 26                                                | 28             |
| Don't know     | 5                                                               | 5              | Don't know     | 15                                                | 15             |
| ~~~~~          |                                                                 |                |                |                                                   |                |
|                | Rating Of<br>General Business<br>Conditions<br>Six Months Hence |                |                | Rating Of<br>Job Availability<br>Six Months Hence |                |
|                | Maricopa<br>County                                              | Pima<br>County |                | Maricopa<br>County                                | Pima<br>County |
| Better         | 38%                                                             | 38%            | More           | 32%                                               | 31%            |
| About the same | 46                                                              | 44             | About the same | 43                                                | 45             |
| Worse          | 8                                                               | 9              | Fewer          | 16                                                | 14             |
| Don't know     | 8                                                               | 9              | Don't know     | 9                                                 | 10             |
| ~~~~~          |                                                                 |                |                |                                                   |                |
|                | Rating Of<br>Family Income<br>Six Months Hence                  |                |                |                                                   |                |
|                | Maricopa<br>County                                              | Pima<br>County |                |                                                   |                |
| Higher         | 31%                                                             | 27%            |                |                                                   |                |
| About the same | 64                                                              | 63             |                |                                                   |                |
| Lower          | 3                                                               | 8              |                |                                                   |                |
| Don't know     | 2                                                               | 2              |                |                                                   |                |
| ~~~~~          |                                                                 |                |                |                                                   |                |

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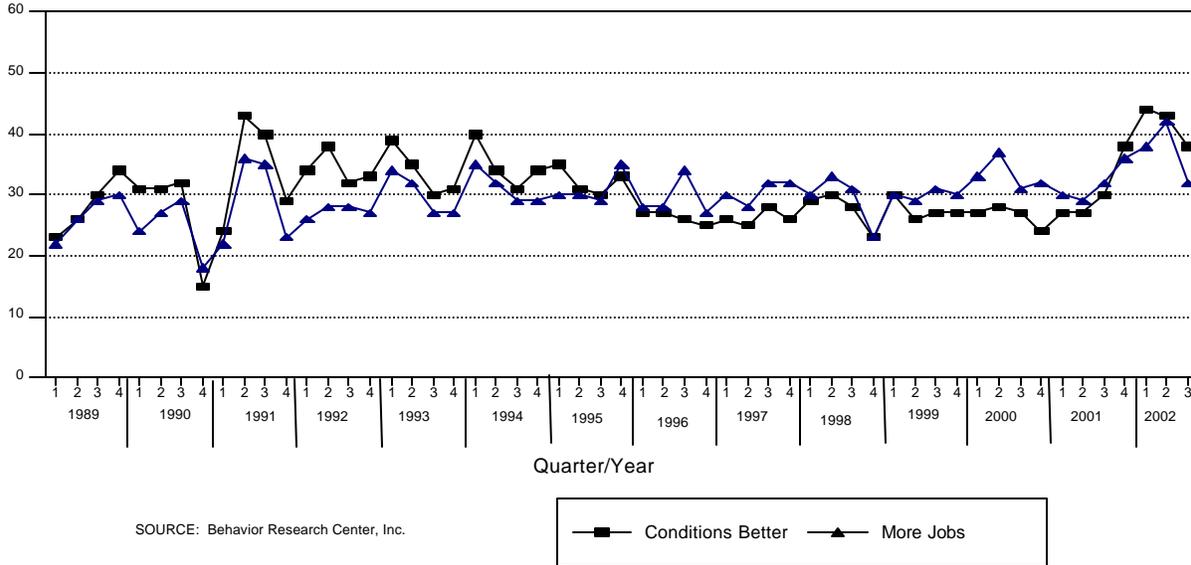
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% with Positive Attitudes on Future Business Conditions and Job Market



% with Positive Attitudes on Current Business Conditions and Job Market

