



behavior research center's

# ***Rocky Mountain Poll***

NEWS RELEASE [RMP 2016-III-02]

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## **Good news: Arizona Consumer Confidence Reaches Highest Level Since July 2007**

Phoenix, Arizona, July 06, 2016. Arizonans are more confident in the Arizona economy than at any time since 2007. What is more, since January 2009, when consumer confidence bottomed out at an historic low of 44.2, a seesaw, but very slow upward trend in confidence has been apparent in Arizona (see page 3 chart).

In June of 2016, the Arizona Consumer Confidence Index rose to 88.4 compared to 80.0 in April and this is the first time since July 2007 that the Index has approached the 90.0 mark. From this it seems probable that the long-awaited sigh of relief from consumers may be at hand. The upward movement in the Index traces to two core shifts in consumer opinion:

- First, consumer assessment of current economic conditions rose to 80.2 compared to 75.6 in April and only 69.7 one year ago. Their evaluation of current economic conditions appears to be a strong, if not the strongest driver in whether they will participate in major ticket item purchasing. By way of comparison, confidence in current conditions has registered as low 50.3 just two and a half years ago (Jan 2014).
- Second is consumer assessment of how the economy will fare in the coming six months (the Expectations Index). This has always been a more positive element of the Index and this quarter the Expectations Index jumped to its highest level since July 2015...spiking up by more than ten points to 93.3 from 83.0 in April.

Reflecting on the findings, Earl de Berge for the Behavior Research Center observed that: “when both the current and expectations components of the Index rise simultaneously, which has been fairly rare in recent years, it is a strong sign that consumers feel more comfortable with the economy and their place in it. This in turn should translate into more consumer buying of major durable goods that they may have put off when they felt less comfortable with the direction of the economy. It is certainly a good signal to retailers that the second half of the year may be very active.”

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Also encouraging is the finding that optimism is up in all regions of the state, with the Index hitting 92.8 in Maricopa County, 89.4 in Pima County and 78.3 in the rural counties of the state. An underlying force in the new optimism is growing consumer belief that jobs are plentiful. Today, 27 percent say jobs are plentiful -- this compared to only 19 percent holding this opinion in April. The Confidence Index might have risen more sharply had it not been for lingering negativity about job availability as seen through the eyes of rural Arizona residents. For example, the proportion classifying jobs as "hard to get" registered 22 percent in Maricopa county, rises to 36 percent in Pima county and spikes to 53 percent in the rural counties.

The rise in Arizona consumer confidence parallels findings of the Conference Board which, using the same measurement questions as we use in Arizona, reports that their national Consumer Confidence Index rose to 98.0 in June from 92.4 in May. "Overall, these are encouraging trends both in Arizona and nationally" continued de Berge "and I find it particularly encouraging that in an election year characterized by so much confusion and clamor that America is adrift, that consumers are rallying toward a less pessimistic view of the state of the economy. It is important for us not to forget that when the bottom dropped out of consumer confidence in the economy in 2008, no one had a clue how long it would take for consumers to regain confidence but it is now clear that it takes years, not months or quarters for such recovery, especially when national financial, political and governmental institutions have lost the trust of the people."

Commenting on the June 2016 findings, Dr. Dennis Hoffman of the L. William Seidman Research Institute at the W.P. Carey School of Business noted the following: "The latest Rocky Mountain poll suggests solid consumer confidence in current and near term economic conditions for Arizona. This comes as welcome news following recent slowing in overall employment growth, the distracting noise of political campaigns and most recently Brexit contagion fears. The poll suggests that the Arizona consumer, as in many past episodes, is willing to ignore external factors and forge ahead regardless. Private sector job growth remains strong in the state and is no doubt underpinning this confidence. And as local government educators gear up for fall hiring, overall employment growth and, based on this poll, consumer spending should accelerate." (Dr. Hoffman may be contacted at 480-965-5362)

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**EDITOR'S NOTE:** This Rocky Mountain Poll - Arizona (2016-III-02), is based on 700 interviews with adult heads of household statewide, conducted between June 6 and 19, 2016. 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.

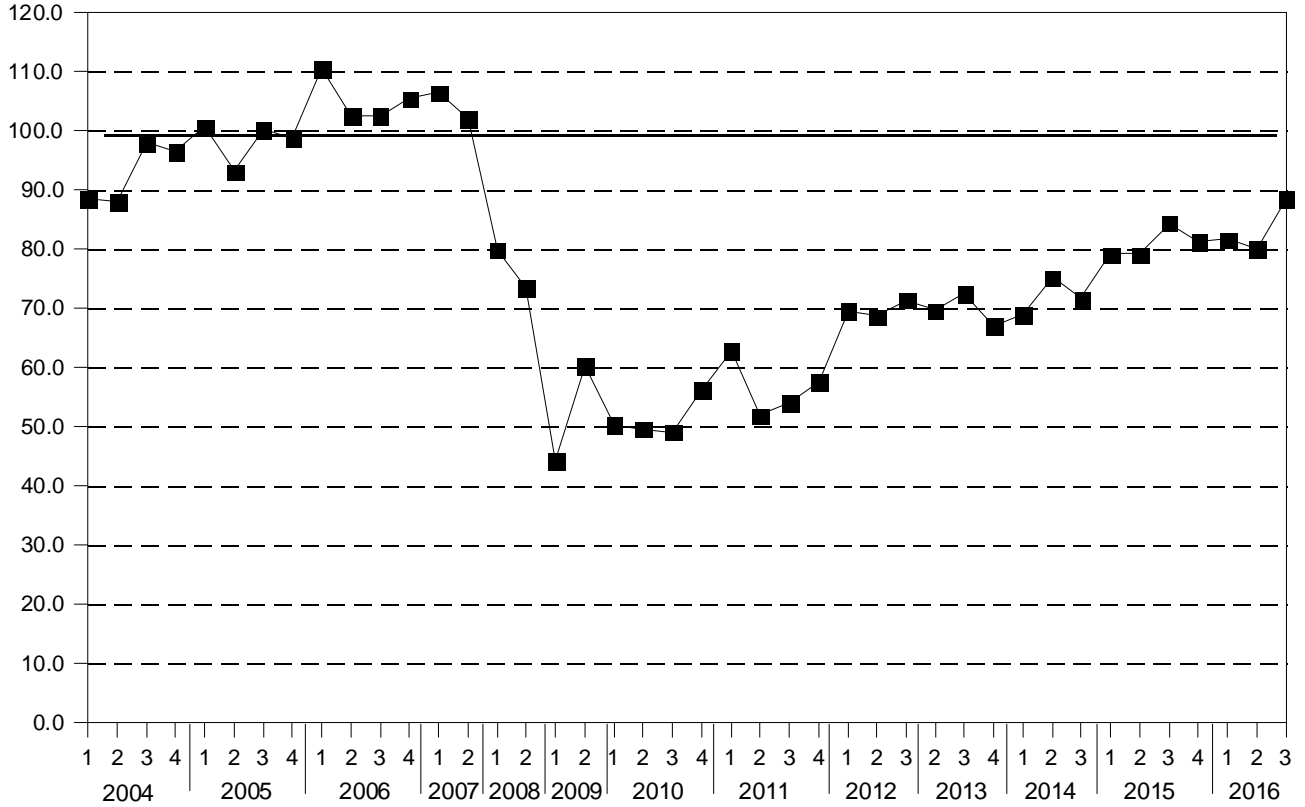
**Further Note on Behavior Research Center**

Nate Silver of the website [fivethirtyeight.com](http://fivethirtyeight.com) rated BRC as one of the top 15 percent of political polling firms in the nation for methodology and accuracy, giving BRC an "A-" rating. Mr. Silver and his website have correctly predicted national and state election outcomes in recent election cycles by aggregating polling results from multiple research firms.

ENCLOSED: Statistical Tables

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

### Statewide Consumer Confidence Index 1985 Base = 100.0



SOURCE: Behavior Research Center, Inc.

Period/Year

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	2016				2015			2014		2013		
	Jun	Apr	Jan	Oct	Jul	Apr	Jan	Jul	Apr	Jan	Oct	
<b>Consumer Confidence Index</b>												
Statewide	88.4	80.0	81.6	81.2	84.3	79.1	79.1	71.6	75.1	68.9	66.9	
Maricopa	92.8	85.1	90.8	88.5	93.9	86.3	83.8	78.1	86.1	72.7	69.6	
Pima	89.4	75.8	77.0	72.3	65.1	69.9	78.8	70.0	72.7	58.0	62.9	
Rural	78.3	69.3	61.0	68.2	70.1	67.9	65.5	54.4	49.7	65.5	60.0	
<b>Index Detail (Statewide):</b>												
Present Situation Index	80.2	75.6	79.1	74.3	69.7	68.0	67.1	53.9	56.5	50.3	51.3	
Expectation Index (Next 6 Months)	93.3	83.0	83.2	85.8	94.1	86.5	87.1	83.5	87.6	80.9	77.2	
<i>Appraisal of Present Situation: Percent Holding Attitude</i>												
<b>Business Conditions:</b>												
Good	30%	34%	39%	34%	33%	32%	34%	30%	33%	29%	28%	33%
Normal	53	48	43	47	45	48	45	43	45	46	44	39
Bad	13	14	12	15	16	17	16	21	19	21	22	23
Not sure	4	4	6	4	6	3	5	6	3	4	6	5
<b>Employment:</b>												
Jobs plentiful	27%	19%	24%	23%	20%	19%	19%	13%	14%	12%	13%	10%
Not so many	28	36	23	26	32	34	24	30	32	25	30	34
Jobs hard to get	31	28	36	36	37	37	41	46	45	51	47	47
Not sure	14	17	17	15	11	10	16	11	9	12	10	9
<i>Expectations For Six Months Hence: Percent Holding Attitude</i>												
<b>Business Conditions:</b>												
Better	24%	19%	27%	21%	27%	25%	31%	20%	26%	29%	26%	29%
Same	58	59	53	61	57	54	49	58	54	46	46	52
Worse	9	13	12	12	7	14	13	15	13	19	19	13
Not sure	9	9	8	6	9	7	7	7	7	6	9	6
<b>Employment:</b>												
More jobs	26%	20%	20%	26%	22%	26%	30%	28%	28%	23%	24%	28%
Same	48	52	45	45	51	43	38	36	44	47	43	41
Fewer	14	14	23	19	15	20	22	24	20	21	23	22
Not sure	12	14	12	10	12	11	10	12	8	9	10	9
<b>Family Income:</b>												
Higher	22%	20%	22%	22%	26%	19%	22%	26%	26%	25%	25%	22%
Same	69	69	69	69	65	73	66	65	63	64	60	67
Lower	7	8	6	7	7	6	9	7	9	10	12	8
Not sure	2	3	3	2	2	2	3	2	2	1	3	3

	Rating of <i>Current General Business Conditions</i>		
	Maricopa	Pima	Rural
Good	34%	19%	27%
Normal	51	59	54
Bad	12	18	12
Don't know	<u>3</u>	<u>4</u>	<u>7</u>
	100%	100%	100%

	Rating of <i>Current Job Availability</i>		
	Maricopa	Pima	Rural
Plenty	32%	21%	16%
Not so many	30	25	25
Hard to get	22	36	53
Don't know	<u>16</u>	<u>18</u>	<u>6</u>
	100%	100%	100%

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	Rating of <i>General Business Conditions Six Months Hence</i>		
	Maricopa	Pima	Rural
Better	27%	27%	16%
About the same	58	53	63
Worse	11	3	8
Don't know	<u>4</u>	<u>17</u>	<u>13</u>
	100%	100%	100%

	Rating of <i>Job Availability Six Months Hence</i>		
	Maricopa	Pima	Rural
More	25%	30%	26%
About the same	45	52	54
Fewer	17	6	11
Don't know	<u>13</u>	<u>12</u>	<u>9</u>
	100%	100%	100%

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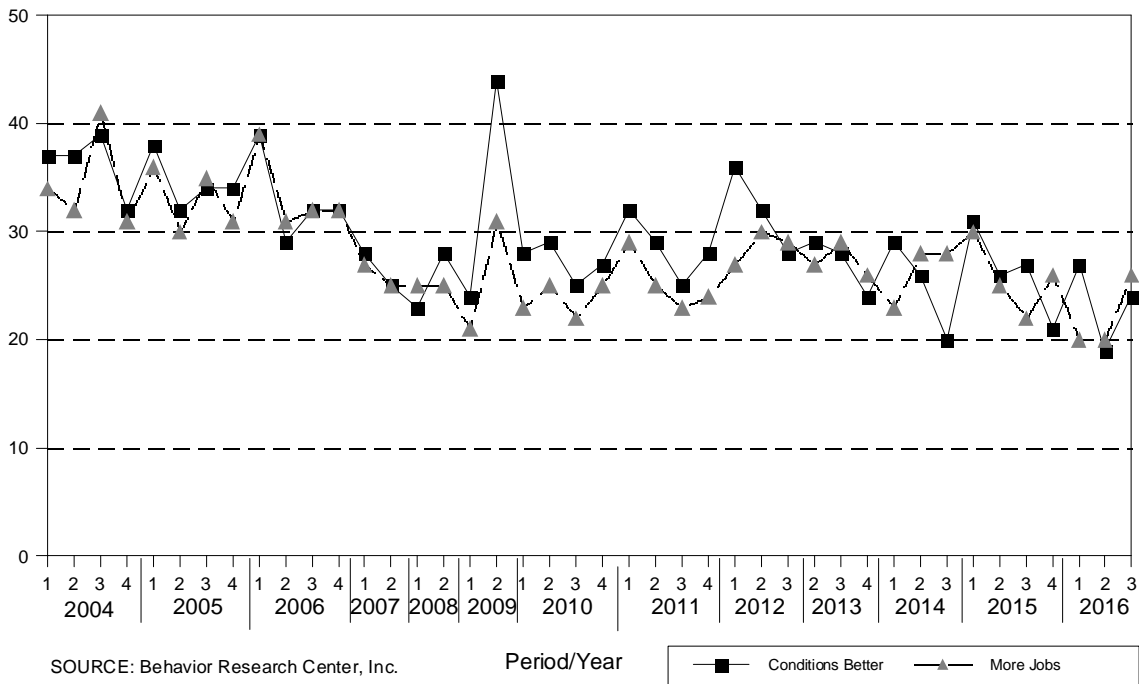
	Rating of <i>Family Income Six Months Hence</i>		
	Maricopa	Pima	Rural
Higher	27%	14%	15%
About the same	64	79	75
Lower	7	7	8
Don't know	<u>2</u>	<u>0</u>	<u>2</u>
	100%	100%	100%

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RMP 2016-III-02

% with Positive Attitudes on  
Future Business Conditions and Job Market



% with Positive Attitudes on  
Current Business Conditions and Job Market

