



*behavior research center's*

# **Rocky Mountain Poll**

NEWS RELEASE [RMP 2006-II-03]

Contact: Earl de Berge  
Research Director  
602-258-4554

**EDITORS NOTE:** This Consumer Confidence report is the first calculated on data for all counties in Arizona. All prior studies dating back to 1982 were based on data only for the Phoenix and Tucson areas. BRC began collecting data statewide for the Consumer Confidence Index in January of 2004, but this is the first report presenting the full statewide data base. Thus, please be aware that prior Index reports may differ from those show herein due to data base adjustments. We waited eleven quarters to build up the statewide data base that would permit comparative and trend analysis. The current report now more fully represents the views of all Arizonans, including those in the rapidly growing rural counties of the state.

## CONSUMER CONFIDENCE OFF EIGHT POINTS IN MAY

Phoenix, Arizona. May 25, 2006. The Arizona Consumer Confidence Index dropped to 102.4 in May from 110.4 in January, driven down principally by consumer concerns that employment and business conditions may deteriorate in the coming six months. As well, while the Index fell in both of Arizona's major urban areas of Phoenix and Tucson, it held fairly steady in the state's growing rural areas.

Consumer evaluation of the present economic climate is relatively unchanged from January as regards their views of business conditions and somewhat improved as regards their assessment of the current job market. Indeed, views of the current job market have improved to their highest level in May (49%) compared to 46 percent in January of this year, 31 percent in January of 2005 and only 22 percent in January of 2004.

But looking forward, consumers are clearly less optimistic. The proportion forecasting improved business conditions dropped to 29 percent from 39 percent. Similarly, the proportion anticipating improved labor market conditions fell to 31 percent from 39 percent. These are some of the lowest positive readings on these dimensions since January of 2004.

The new readings in the rural areas of Arizona are very interesting and show a steady rise in confidence in the economy since January of 2004, including one very positive spike in July of that same year. Today, the Index in Rural Arizona is 94.1, second only to the 94.8 registered in January.

The findings outlined in this report are based on a survey of 808 adults in Maricopa and Pima Counties conducted between May 1<sup>st</sup> and May 9<sup>th</sup>, 2006, 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.

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EDITOR'S NOTE: This Rocky Mountain Poll Arizona (2006-II-03) is based on 808 telephone interviews with adults, conducted from May 1<sup>st</sup> through May 9<sup>th</sup>, 2006, in Maricopa and Pima Counties. In the overall sample, one may say with 95 percent certainty that the results have a statistical precision of plus or minus 3.5 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.

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

**ENCLOSED:** Statistical data for reference.

**STATISTICAL DATA**

Behavior Research Center

**ARIZONA CONSUMER CONFIDENCE INDEX — May 2006**

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|                                      | 2006         |       | 2005  |       |      |       | 2004  |       |      |      |
|--------------------------------------|--------------|-------|-------|-------|------|-------|-------|-------|------|------|
|                                      | May          | Jan   | Oct   | Jul   | Apr  | Jan   | Oct   | July  | Apr  | Jan  |
| <u>Consumer Confidence Index</u>     |              |       |       |       |      |       |       |       |      |      |
| Statewide                            | <b>102.4</b> | 110.4 | 98.1  | 100.3 | 93.1 | 100.6 | 96.5  | 98.0  | 87.9 | 88.5 |
| Maricopa                             | <b>108.0</b> | 117.8 | 101.5 | 106.5 | 99.9 | 107.9 | 103.2 | 102.5 | 89.3 | 94.3 |
| Pima                                 | <b>92.0</b>  | 102.5 | 94.2  | 88.1  | 87.8 | 91.0  | 93.5  | 96.4  | 91.7 | 84.4 |
| Rural                                | <b>94.1</b>  | 94.8  | 91.3  | 94.1  | 80.8 | 89.4  | 79.7  | 90.7  | 76.7 | 77.3 |
| <u>Index Detail (Statewide):</u>     |              |       |       |       |      |       |       |       |      |      |
| Present Situation Index              | <b>114.0</b> | 116.4 | 101.9 | 98.4  | 95.8 | 96.9  | 95.1  | 86.2  | 72.6 | 72.3 |
| Expectation Index<br>(Next 6 Months) | <b>94.6</b>  | 106.4 | 95.6  | 101.6 | 91.4 | 103.0 | 100.5 | 105.9 | 98.1 | 99.3 |

*Appraisal of Present Situation:  
Percent Holding Attitude*

|                             | 2006       | 2006 | 2005 | 2005 | 2005 | 2005 | 2004 | 2004 | 2004 | 2004 |
|-----------------------------|------------|------|------|------|------|------|------|------|------|------|
| <u>Business Conditions:</u> |            |      |      |      |      |      |      |      |      |      |
| Good                        | <b>51%</b> | 52%  | 48%  | 50%  | 48%  | 46%  | 43%  | 42%  | 39%  | 36%  |
| Normal                      | <b>35</b>  | 40   | 37   | 39   | 38   | 38   | 38   | 38   | 40   | 41   |
| Bad                         | <b>9</b>   | 4    | 10   | 8    | 12   | 11   | 12   | 17   | 16   | 16   |
| Not sure                    | <b>5</b>   | 4    | 5    | 3    | 2    | 5    | 7    | 3    | 5    | 7    |
| <u>Employment:</u>          |            |      |      |      |      |      |      |      |      |      |
| Jobs plentiful              | <b>49%</b> | 46%  | 40%  | 36%  | 35%  | 31%  | 31%  | 31%  | 23%  | 22%  |
| Not so many                 | <b>21</b>  | 22   | 22   | 24   | 26   | 28   | 29   | 30   | 26   | 31   |
| Jobs hard to get            | <b>16</b>  | 17   | 25   | 27   | 26   | 27   | 28   | 28   | 40   | 36   |
| Not sure                    | <b>14</b>  | 15   | 13   | 13   | 13   | 14   | 12   | 11   | 11   | 11   |

*Expectations For Six Month Hence:  
Percent Holding Attitude*

|                             | 2006       | 2006 | 2005 | 2005 | 2005 | 2005 | 2004 | 2004 | 2004 | 2004 |
|-----------------------------|------------|------|------|------|------|------|------|------|------|------|
| <u>Business Conditions:</u> |            |      |      |      |      |      |      |      |      |      |
| Better                      | <b>29%</b> | 39%  | 34%  | 34%  | 32%  | 38%  | 32%  | 39%  | 37%  | 37%  |
| Same                        | <b>49</b>  | 48   | 49   | 53   | 51   | 49   | 49   | 45   | 46   | 47   |
| Worse                       | <b>14</b>  | 8    | 12   | 9    | 13   | 9    | 9    | 9    | 10   | 10   |
| Not sure                    | <b>8</b>   | 5    | 5    | 4    | 4    | 4    | 10   | 7    | 7    | 6    |
| <u>Employment:</u>          |            |      |      |      |      |      |      |      |      |      |
| More jobs                   | <b>31%</b> | 39%  | 31%  | 35%  | 30%  | 36%  | 31%  | 41%  | 32%  | 34%  |
| Same                        | <b>44</b>  | 41   | 43   | 44   | 45   | 40   | 41   | 36   | 40   | 38   |
| Fewer jobs                  | <b>15</b>  | 13   | 17   | 17   | 21   | 16   | 17   | 15   | 19   | 20   |
| Not sure                    | <b>10</b>  | 7    | 9    | 4    | 4    | 8    | 11   | 8    | 9    | 8    |
| <u>Family Income:</u>       |            |      |      |      |      |      |      |      |      |      |
| Higher                      | <b>26%</b> | 27%  | 28%  | 31%  | 29%  | 31%  | 31%  | 33%  | 26%  | 27%  |
| Same                        | <b>66</b>  | 65   | 63   | 61   | 63   | 61   | 62   | 60   | 65   | 66   |
| Lower                       | <b>6</b>   | 6    | 7    | 6    | 6    | 5    | 5    | 6    | 6    | 5    |
| Not sure                    | <b>2</b>   | 2    | 2    | 2    | 2    | 3    | 2    | 1    | 3    | 2    |

ND = No data

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Rating Of  
Current General  
Business Conditions

|            | Maricopa | Pima | Rural |
|------------|----------|------|-------|
| Good       | 58%      | 39%  | 45%   |
| Normal     | 32       | 44   | 34    |
| Bad        | 7        | 11   | 14    |
| Don't know | 3        | 6    | 7     |

Rating Of  
Current Job  
Availability

|             | Maricopa | Pima | Rural |
|-------------|----------|------|-------|
| Plenty      | 56%      | 42%  | 34%   |
| Not so many | 17       | 25   | 27    |
| Hard to get | 13       | 15   | 28    |
| Don't know  | 14       | 18   | 11    |

Rating Of  
General Business  
Conditions  
Six Months Hence

|                | Maricopa | Pima | Rural |
|----------------|----------|------|-------|
| Better         | 26%      | 27%  | 36%   |
| About the same | 52       | 45   | 44    |
| Worse          | 14       | 17   | 15    |
| Don't know     | 8        | 11   | 5     |

Rating Of  
Job Availability  
Six Months Hence

|                | Maricopa | Pima | Rural |
|----------------|----------|------|-------|
| More           | 30%      | 28%  | 34%   |
| About the same | 46       | 42   | 42    |
| Fewer          | 13       | 21   | 15    |
| Don't know     | 11       | 9    | 9     |

Rating Of  
Family Income  
Six Months Hence

|                | Maricopa | Pima | Rural |
|----------------|----------|------|-------|
| Higher         | 28%      | 18%  | 24%   |
| About the same | 65       | 67   | 68    |
| Lower          | 4        | 10   | 7     |
| Don't know     | 3        | 5    | 1     |

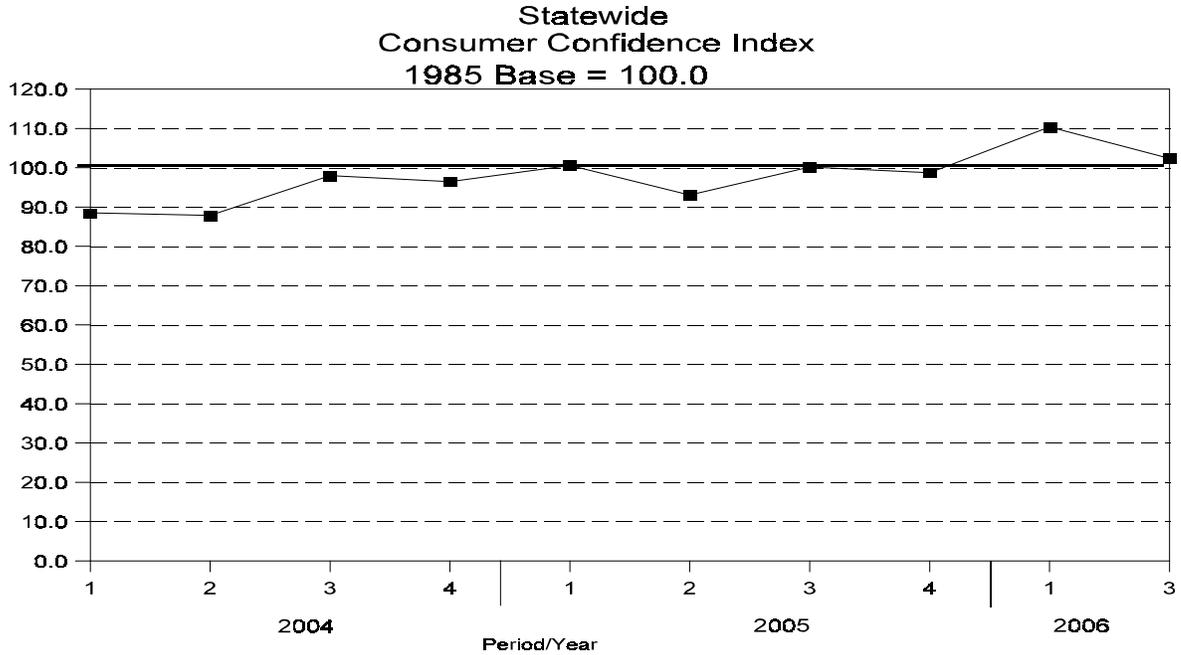
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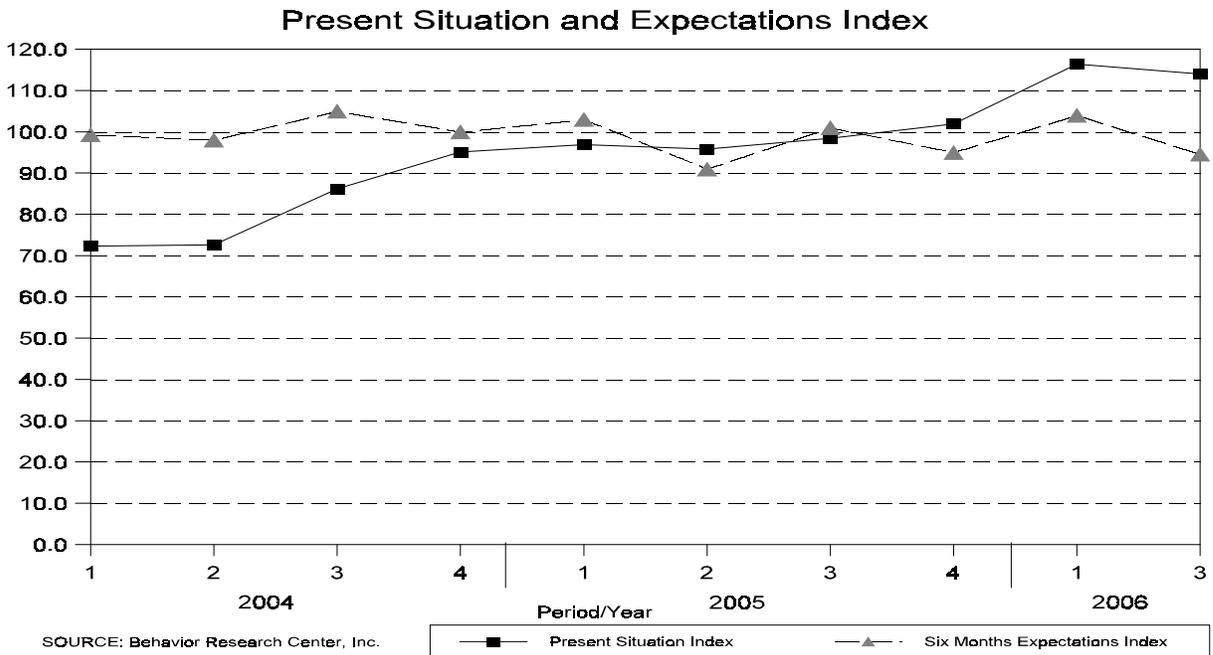
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SOURCE: Behavior Research Center, Inc.



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Note: (1) Beginning in January 2006, study converted to bi-monthly cycle from quarterly cycle.  
(2) No data collected March 2006.

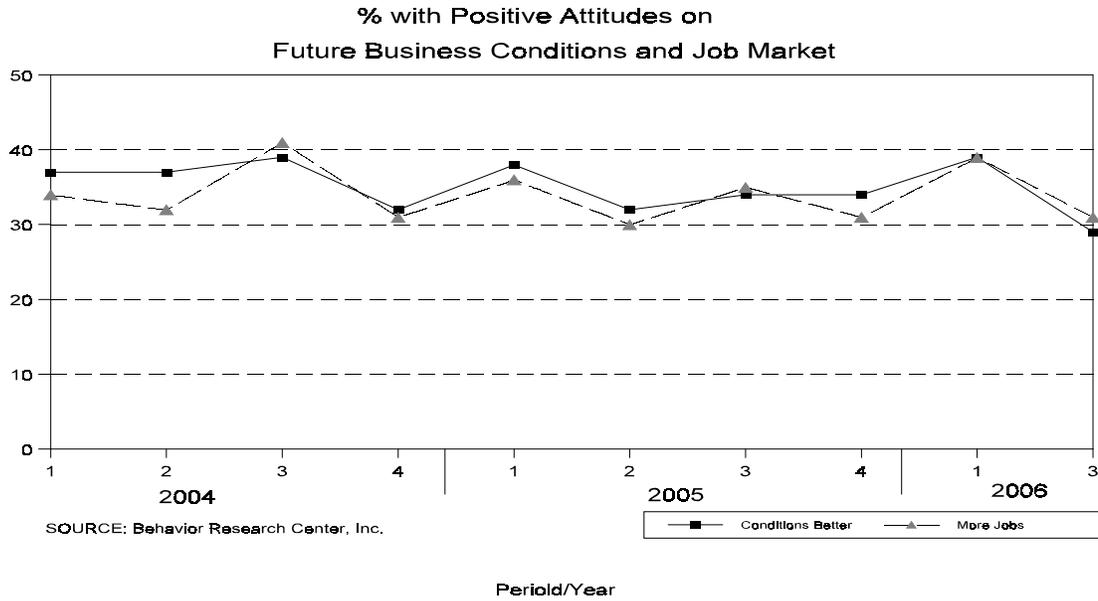
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Note: No data collected March 2006.

