



behavior research center's

Rocky Mountain Poll

NEWS RELEASE [RMP 2008-I-02]

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CONSUMER CONFIDENCE PLUMMETS IN ARIZONA

Phoenix, Arizona. January 30, 2008. Consumer confidence in Arizona has dropped to its lowest level since 1993 and now stands at 79.8 compared to 101.9 in July, 2007 and an even more robust 106.3 one year ago January. Confidence Index readings are the lowest since July of 2003 in Maricopa County, and the lowest in Pima County since July of 1992. They are also the lowest in Arizona's rural counties since we began measurements there in 2004.

Both main elements of the Consumer Confidence Index (assessment of current economic conditions and expectations for the coming six months) dropped sharply: down 22 points in the case of the current conditions index and down 22.1 points for the expectations index. Both declines may foretell continued consumer reluctance to spend for large or even medium ticket items.

A major driver in the declining index is sharp increases in the proportion of consumers who predict that employment opportunities are worsening - now at 24 percent compared to 14 percent in mid-summer and the highest reading since October of 2005. Looking ahead, the proportion who expect business conditions to worsen in the coming six months has more than doubled (now 24 percent compared to 11 percent in July). Similarly, the proportion who believe jobs will become more scarce has jumped from 13 percent in July to 27 percent today.

Consumers in Maricopa County remain the most optimistic and Pima residents the most pessimistic.

These data also reveal that confidence in the economy has political overtones. Compared to consumers overall, where the Confidence Index registers 79.8, registered voters' confidence is more optimistic, but only modestly so (82.2). As might be expected, Democrats and Independents are the least optimistic and their views of the economy may be one of the strong forces pushing them to vote for change in political leadership. Republican voters are more optimistic, but even in their case, the Index registers only 98.9, the baseline established in 1985. Democrats are the most pessimistic (65.6), Independents register 79.4.

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EDITOR'S NOTE: This Rocky Mountain Poll Arizona (2008-I-02) is based on a survey of 800 adult heads-of-household across Arizona, conducted in late January 2008. 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.

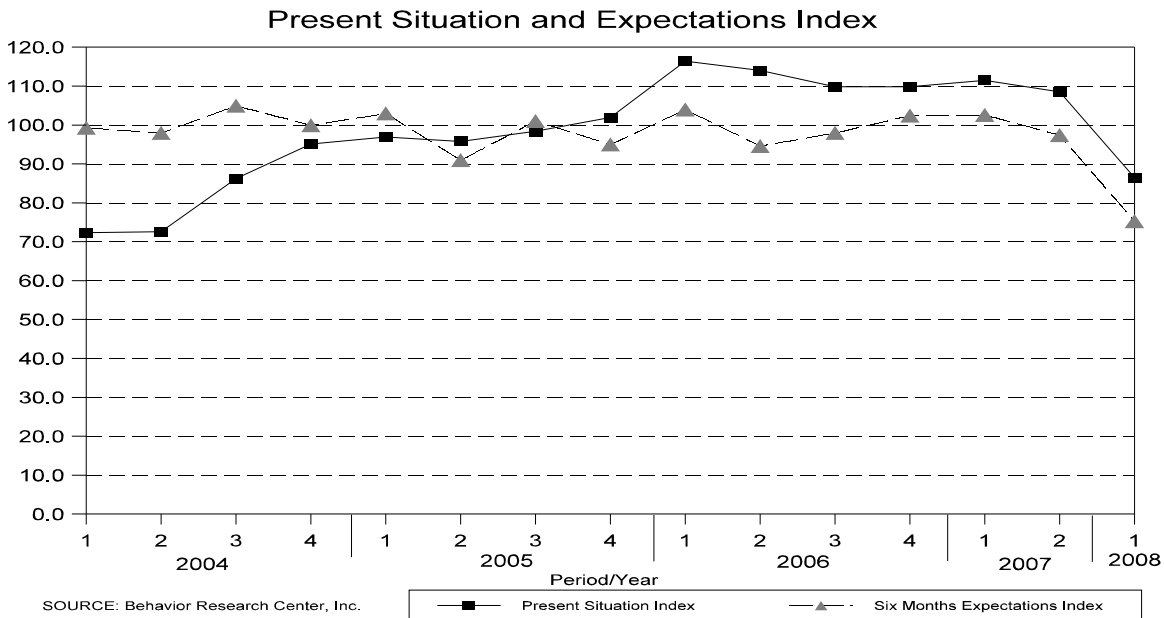
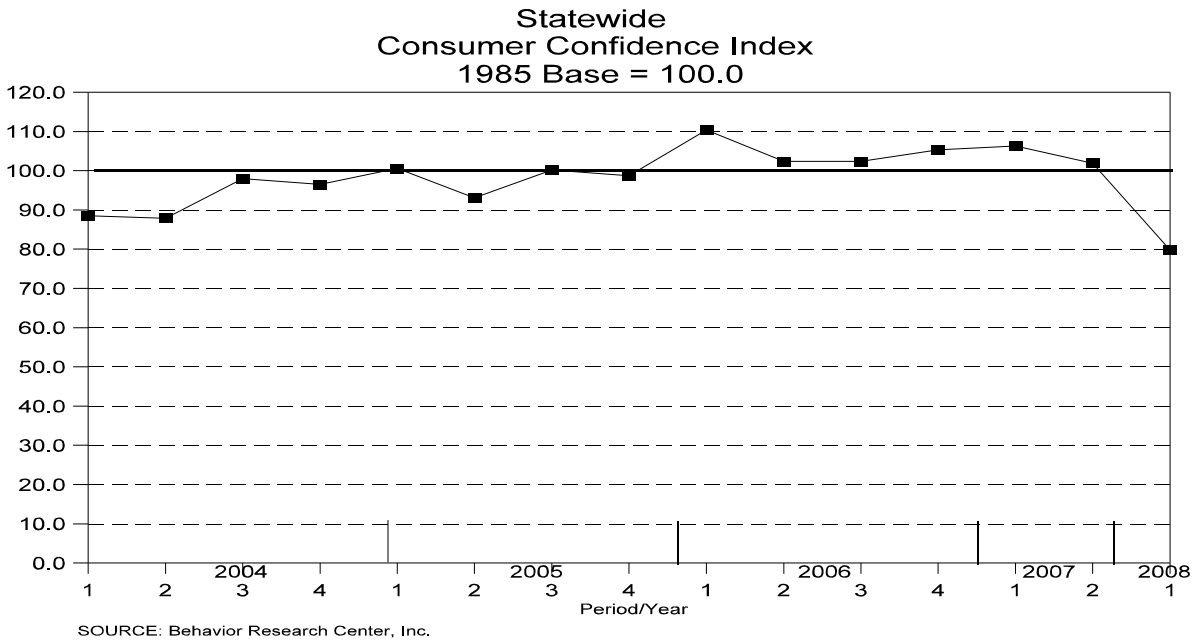
ENCLOSED: Statistical data for reference.

STATISTICAL DATA

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ARIZONA CONSUMER CONFIDENCE INDEX — January 2008

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	2008		2007		2006			2005		
	Jan	July	Jan	Sept	Jul	May	Jan	Oct	Jul	Apr
<u>Consumer Confidence Index</u>										
Statewide	79.8	101.9	106.3	105.3	102.7	102.4	110.4	98.1	100.3	93.1
Maricopa	88.7	106.6	111.5	109.2	109.3	108.0	117.8	101.5	106.5	99.9
Pima	65.0	96.2	102.7	104.0	101.0	92.0	102.5	94.2	88.1	87.8
Rural	68.8	91.2	91.5	96.4	86.5	94.1	94.8	91.3	94.1	80.8
<u>Index Detail (Statewide):</u>										
Present Situation Index	86.5	108.5	111.5	109.7	109.8	114.0	116.4	101.9	98.4	95.8
Expectation Index (Next 6 Months)	75.3	97.4	102.6	102.4	98.0	94.6	106.4	95.6	101.6	91.4

*Appraisal of Present Situation:
Percent Holding Attitude*

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<u>Business Conditions:</u>										
Good	34%	38%	50%	49%	50%	51%	52%	48%	50%	48%
Normal	45	46	38	38	37	35	40	37	39	38
Bad	17	11	7	9	9	9	4	10	8	12
Not sure	4	5	5	4	4	5	4	5	3	2
<u>Employment:</u>										
Jobs plentiful	30%	41%	42%	44%	46%	49%	46%	40%	36%	35%
Not so many	32	34	25	22	21	21	22	22	24	26
Jobs hard to get	24	14	18	19	20	16	17	25	27	26
Not sure	14	11	15	15	13	14	15	13	13	13

*Expectations For Six Month Hence:
Percent Holding Attitude*

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<u>Business Conditions:</u>										
Better	23%	25%	27%	33%	32%	29%	39%	34%	34%	32%
Same	45	59	59	52	48	49	48	49	53	51
Worse	24	11	7	9	13	14	8	12	9	13
Not sure	8	5	7	6	7	8	5	5	4	4
<u>Employment:</u>										
More jobs	25%	25%	28%	33%	32%	31%	39%	31%	35%	30%
Same	39	55	49	43	43	44	41	43	44	45
Fewer jobs	27	13	13	15	17	15	13	17	17	21
Not sure	9	7	10	9	8	10	7	9	4	4
<u>Family Income:</u>										
Higher	22%	25%	29%	27%	32%	26%	27%	28%	31%	29%
Same	68	67	61	65	61	66	65	63	61	63
Lower	7	4	5	5	5	6	6	7	6	6
Not sure	3	4	5	3	2	2	2	2	2	2

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|            | Rating Of<br>Current General<br>Business Conditions |      |       |
|------------|-----------------------------------------------------|------|-------|
|            | Maricopa                                            | Pima | Rural |
| Good       | 39%                                                 | 21%  | 29%   |
| Normal     | 43                                                  | 57   | 42    |
| Bad        | 13                                                  | 18   | 25    |
| Don't know | 5                                                   | 4    | 4     |

|             | Rating Of<br>Current Job<br>Availability |      |       |
|-------------|------------------------------------------|------|-------|
|             | Maricopa                                 | Pima | Rural |
| Plenty      | 35%                                      | 21%  | 23%   |
| Not so many | 33                                       | 36   | 29    |
| Hard to get | 17                                       | 28   | 38    |
| Don't know  | 15                                       | 15   | 10    |

|                | Rating Of<br>General Business<br>Conditions<br>Six Months Hence |      |       |
|----------------|-----------------------------------------------------------------|------|-------|
|                | Maricopa                                                        | Pima | Rural |
| Better         | 24%                                                             | 21%  | 22%   |
| About the same | 46                                                              | 39   | 49    |
| Worse          | 22                                                              | 36   | 20    |
| Don't know     | 8                                                               | 4    | 9     |

|                | Rating Of<br>Job Availability<br>Six Months Hence |      |       |
|----------------|---------------------------------------------------|------|-------|
|                | Maricopa                                          | Pima | Rural |
| More           | 26%                                               | 16%  | 31%   |
| About the same | 42                                                | 36   | 33    |
| Fewer          | 22                                                | 41   | 29    |
| Don't know     | 10                                                | 7    | 7     |

|                | Rating Of<br>Family Income<br>Six Months Hence |      |       |
|----------------|------------------------------------------------|------|-------|
|                | Maricopa                                       | Pima | Rural |
| Higher         | 25%                                            | 26%  | 13%   |
| About the same | 65                                             | 68   | 75    |
| Lower          | 7                                              | 4    | 9     |
| Don't know     | 3                                              | 2    | 3     |

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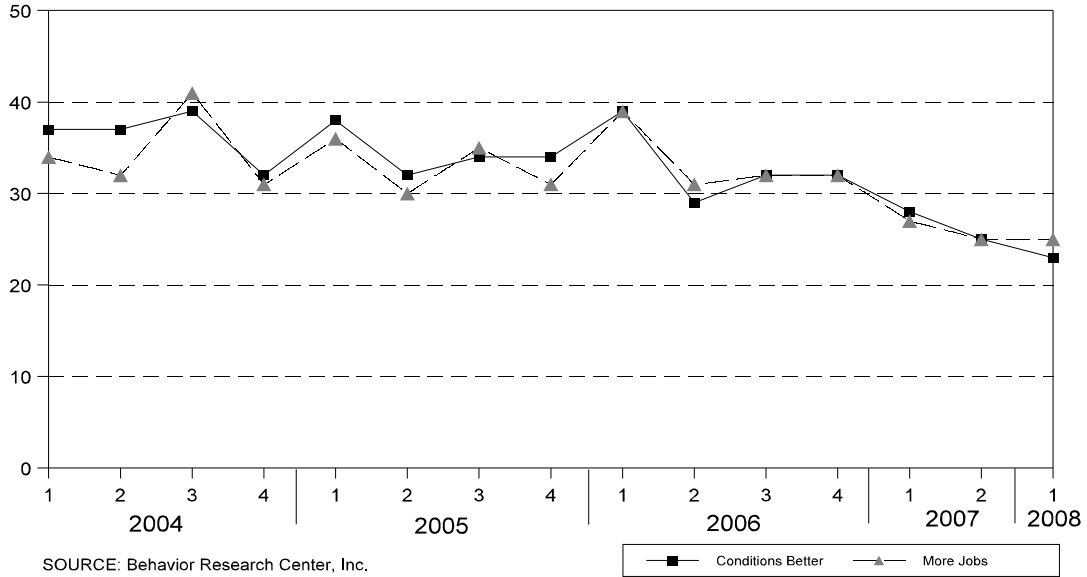
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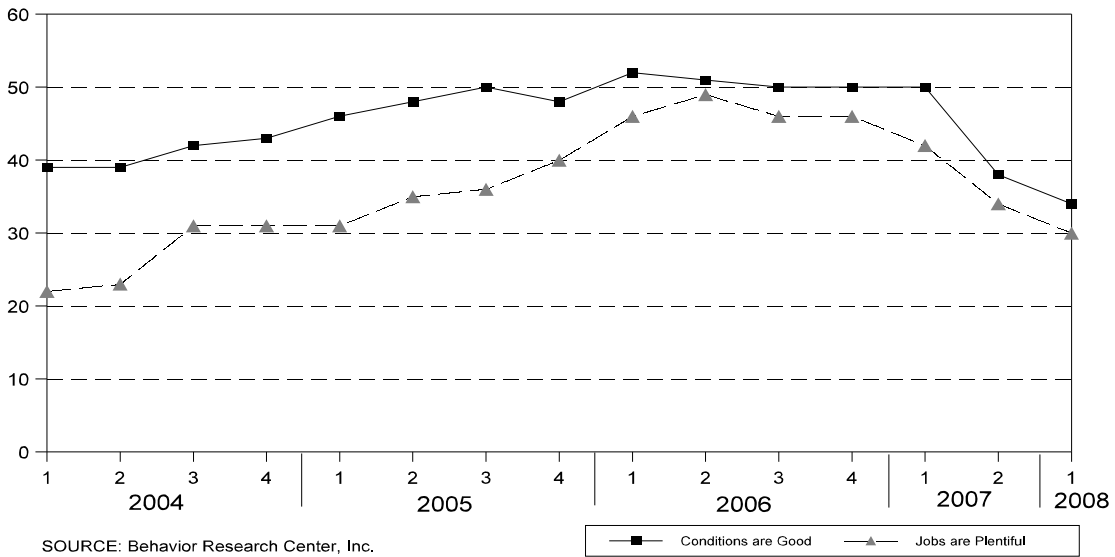
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% with Positive Attitudes on Future Business Conditions and Job Market



Period/Year

% with Positive Attitudes on Current Business Conditions and Job Market



Period/Year