behavior research center's
Rocky Mountain Poll

NEWS RELEASE [RMP 2010-IV-06]

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FOR IMMEDIATE RELEASE

• CONSUMER CONFIDENCE IN ARIZONA ON THE RISE

• PLANNED PURCHASING UP IN ALL CATEGORIES

• SIX OF TEN PRIVATE SECTOR EMPLOYEES SAY THEIR COMPANIES ARE GROWING.

CONSUMER CONFIDENCE INDEX

Phoenix, Arizona. October 14, 2010. Among Arizonans, consumer confidence in the economy has improved and planned buying of major consumer durables is up in all categories we monitor. Additionally, among employees of private companies in the state, 62 per cent believe their companies are growing, including 36 per cent who characterize the growth as "strong." These readings could hardly be better news for retailers, many of whom are heavily dependent for a good year on how far consumers open their wallets during the holidays.

The Consumer Confidence Index in Arizona is currently at 56.3, the highest level in 2010 and compares to 49.1 in July, 49.6 in April and 50.2 in January. The rise in consumer confidence traces principally to a spike in the proportion of consumers who expect the economy to improve in the coming six months and a smaller but important rise in the assessment consumers make of the current economic environment.

The Index of Consumer Confidence Index is still a long way from levels seen in 2007, but the reverse in its downward slide is encouraging. The proportion of consumers who assess the job market as likely to improve in the coming six months rose to 25 per cent from 22 per cent in July and the proportion who forecast that jobs will be hard to find shrank to 22 per cent from 29 per cent in the same period. These are not changes of "earthquake" proportions, but they reverse the trend of declining confidence seen throughout 2010.

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Most of the improvement in the Consumer Confidence Index traces to belief that the economy will improve in the coming six months. Overall, the Expectation Index has risen to 77.0 compared to 65.8 in July, an 11.2 point increase.

PLANNED PURCHASING

Equally if not more important are the readings on consumer planned purchasing which show increases in each of five categories we tested. The proportion of households planning purchases rose most dramatically in the kitchen appliances category which doubled to 14.2 per cent from 7.3 per cent in July. Additionally, the proportion of households planning purchases of electronic home entertainment equipment or computers rose to 19.4 per cent compared to 16.5 per cent in July. In the same period, planned home remodeling activity rose to 17.3 per cent from only 14.2 per cent; household furniture buying rose to 16.9 per cent from 13.9 per cent and planned new automotive purchasing rose to 11.8 per cent from 10.7 per cent.

PRIVATE SECTOR EMPLOYEES SEE GROWTH IN THEIR COMPANIES

Chatter around the water cooler appears to be more upbeat these days. Six of ten private sector employees believe they are seeing growth in their company, including an impressive 36 per cent calling it "strong growth." A fifth believe their company is neither growing nor declining, but only 13 per cent opine that the company they work for is struggling to keep its doors open.

These encouraging signs just before the fall holidays are yet another signal that more optimistic consumers may be poised to boost retail business activities. It may also give some encouragement to retailers as they assess the implications of going ahead with investment and hiring strategies that have been on the back burner throughout much of the past two years.

RISING OPTIMISM MOST APPARENT AMONG YOUNGER CONSUMERS

This survey also reveals that if the growing optimism of consumers continues on its current track, it will be younger consumers (those under 55 years of age and particularly those under 35 years of age) who lead the parade. Older consumers are more negative about everything from business conditions to family income and the job market. Additionally, whereas 65 per cent of consumers under 35 years of age and 45 per cent of those between 35 and 54 plan to make purchases of major consumer durables in the coming six months, among consumers 55 years of age or older, plans to make purchases drop to only 32 per cent with barely eleven per cent in the "definitely buy" category.

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Dr. Dennis Hoffman, Director of the L. William Seidman Research Institute at the W. P. Carey School of Business at Arizona State University, commenting on the survey results: "The consumer confidence numbers in the latest survey suggest that some of the pent up spending power available to consumers is about to be unleashed. The job picture has been improved a bit, the stock market is increasingly ebullient and interest rates are at historical lows, but consumers – including those with income capacity and job security – have been hesitant up to now to purchase products at anywhere near normal rates. And prior Rocky Mountain polls revealed the ongoing pessimism.

"But there are several very hopeful signs in the current BRC release. The confidence index perked up in the latest poll, with most of the momentum driven by an improving outlook expressed by the respondents regarding the coming six months. Even more encouraging are the signs that the strong majority of respondents believe they work for businesses that are growing and with that growth will come increasing employment opportunities for all.

"Consumer psychology took a massive hit over the past two years but the latest BRC poll suggests that it is finally improving. History suggests that improvements in psychology generate momentum, and that improvement indeed occur if the respondent put their spending plans into action.

"Retailers should pay close attention to this type of evidence, because it may suggest that the holiday shopping season will be an upside surprise – to a degree we have not seen for several years. Merchants holding lean inventories may be caught in the unpleasant position of having to turn shoppers away. Now there's a problem we haven't seen in a long time!"

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EDITOR'S NOTE: **This Rocky Mountain Poll - Arizona (2010-IV-06), is based on 800 interviews with adult heads of household statewide, conducted between October 1 and 10, 2010. Interviewing was conducted in both English and Spanish by professional interviewers of the Behavior Research Center on both landlines and cell phones. Where necessary, figures for age, sex, race and political party 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 3.5 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 sponsored by the Center.**
To contact Dr. Hoffman call Elizabeth Farquhar: Editor, Knowledge at W. P. Carey @ 602-560-6069 or contact by email: Liz.Farquhar@asu.edu.

This statement conforms to the principles of disclosure of the National Council on Public Polls.
ENCLOSED: Statistical tables.

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ARIZONA CONSUMER CONFIDENCE INDEX October 2010

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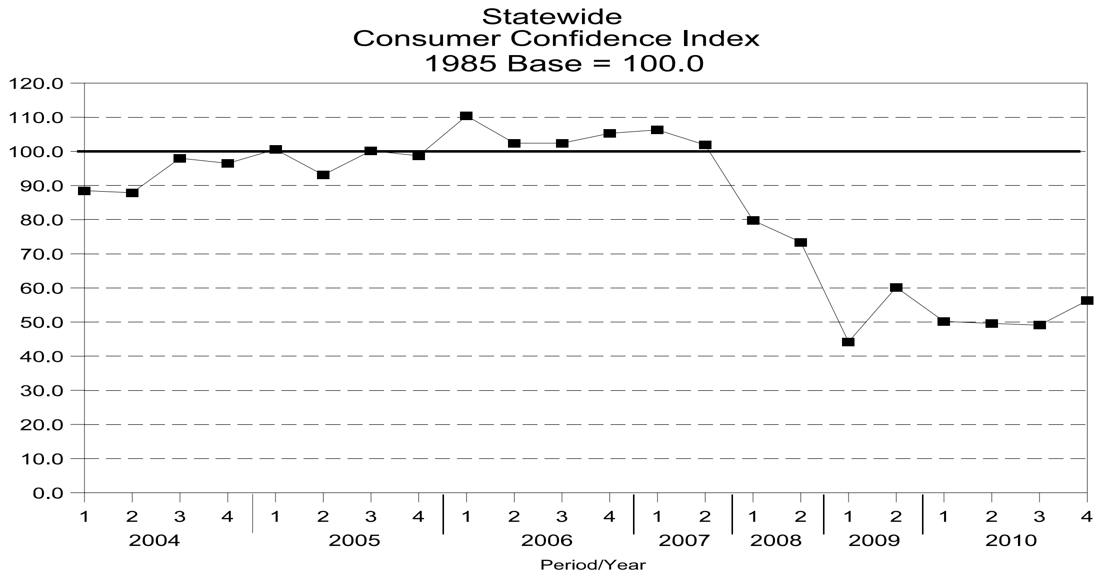
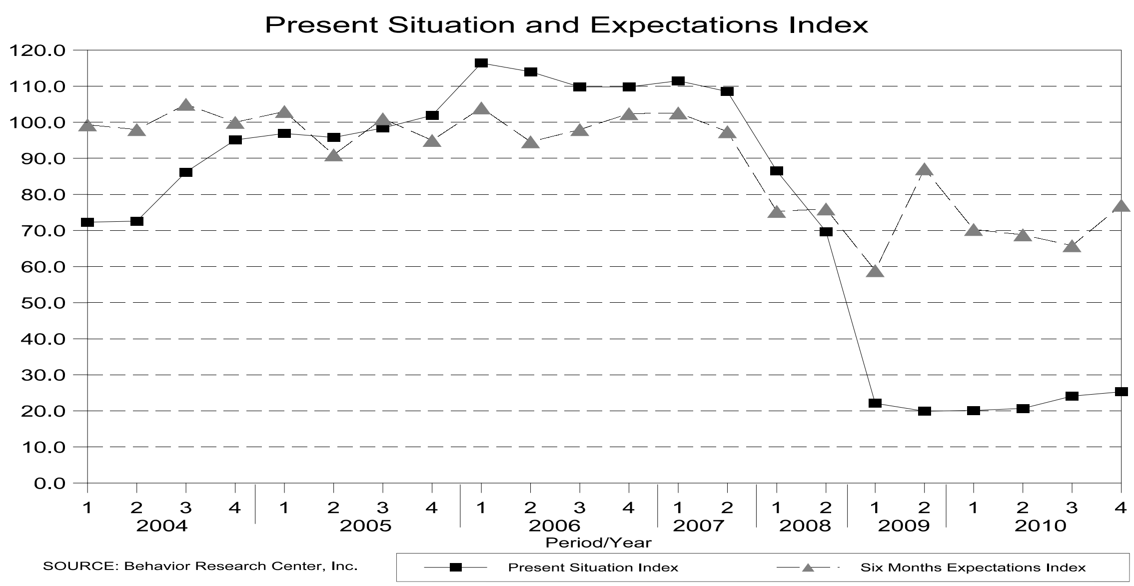


SOURCE: Behavior Research Center, Inc.



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	2010				2009		2008		2007	
	Oct	Jul	Apr	Jan	Sept	Jan	May	Jan	July	Jan
Consumer Confidence Index										
Statewide	56.3	49.1	49.6	50.2	60.2	44.2	73.4	79.8	101.9	106.3
Maricopa	55.7	52.8	56.0	52.2	58.0	44.1	82.6	88.7	106.6	111.5
Pima	54.1	41.6	42.6	48.6	66.9	48.7	61.1	65.0	96.2	102.7
Rural	59.1	43.5	38.3	46.7	60.7	39.9	58.2	68.8	91.2	91.5
Index Detail (Statewide):										
Present Situation Index	25.3	24.1	20.7	20.0	19.9	22.1	69.7	86.5	108.5	111.5
Expectation Index (Next 6 Months)	77.0	65.8	68.8	70.3	87.1	58.9	76.0	75.3	97.4	102.6
Appraisal of Present Situation: Percent Holding Attitude										
Business Conditions:										
Good	21%	19%	17%	20%	14%	16%	31%	34%	38%	50%
Normal	31	34	38	30	35	31	41	45	46	38
Bad	43	43	41	46	48	47	25	17	11	7
Not sure	5	4	4	4	3	6	3	4	5	5
Employment:										
Jobs plentiful	5%	5%	3%	2%	5%	6%	23%	30%	41%	42%
Not so many	26	26	30	24	32	26	36	32	34	25
Jobs hard to get	62	63	60	68	57	60	30	24	14	18
Not sure	7	6	7	6	6	8	11	14	11	15
Expectations For Six Month Hence: Percent Holding Attitude										
Business Conditions:										
Better	27%	25%	29%	28%	44%	24%	28%	23%	25%	27%
Same	44	48	43	48	34	37	44	45	59	59
Worse	17	22	21	20	17	29	24	24	11	7
Not sure	12	5	7	4	5	10	4	8	5	7
Employment:										
More jobs	25%	22%	25%	23%	33%	21%	25%	25%	25%	28%
Same	42	43	38	41	38	30	38	39	55	49
Fewer jobs	22	29	30	28	24	40	30	27	13	13
Not sure	11	6	7	8	5	9	7	9	7	10
Family Income:										
Higher	16%	15%	17%	20%	24%	18%	24%	22%	25%	29%
Same	69	70	65	65	62	67	66	68	67	61
Lower	11	13	15	14	12	14	8	7	4	5
Not sure	4	2	3	1	2	1	2	3	4	5

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Rating Of *Current* General Business Conditions	Maricopa	Pima	Rural
Good	20%	20%	24%
Normal	33	31	27
Bad	41	45	48
Don't know	6	4	1
	100%	100%	100%

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Rating Of *Current* Job Availability	Maricopa	Pima	Rural
Plenty	6%	4%	5%
Not so many	27	22	26
Hard to get	60	64	65
Don't know	7	10	4
	100%	100%	100%

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Rating Of General Business Conditions *Six Months Hence*	Maricopa	Pima	Rural
Better	28%	23%	30%
About the same	42	42	50
Worse	18	13	15
Don't know	12	22	5
	100%	100%	100%

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Rating Of Job Availability *Six Months Hence*	Maricopa	Pima	Rural
More	26%	22%	26%
About the same	42	42	44
Fewer	24	17	19
Don't know	8	19	11
	100%	100%	100%

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Rating Of Family Income *Six Months Hence*	Maricopa	Pima	Rural
Higher	17%	10%	16%
About the same	65	77	72
Lower	12	11	11
Don't know	6	2	1
	100%	100%	100%

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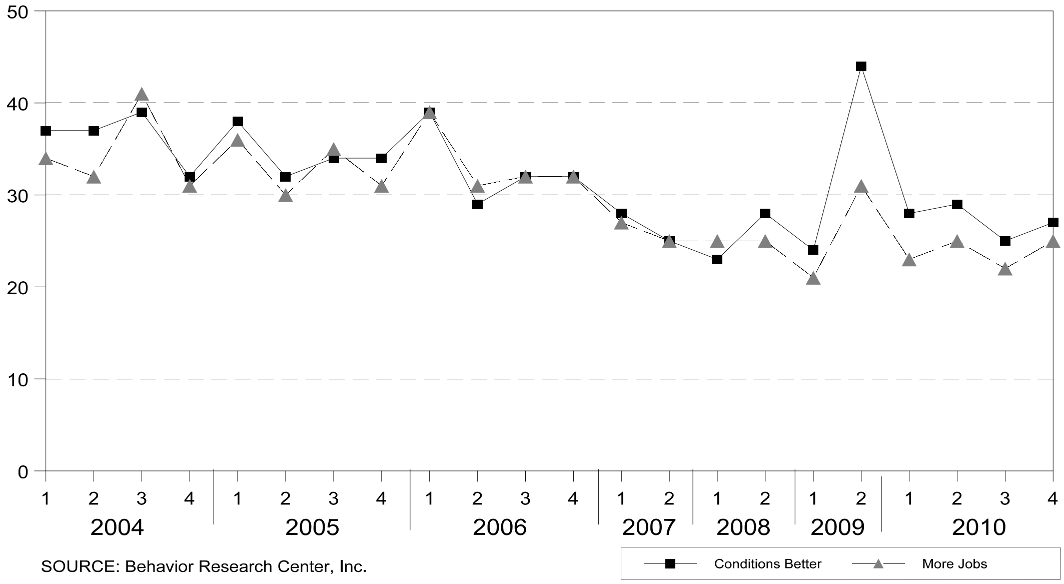
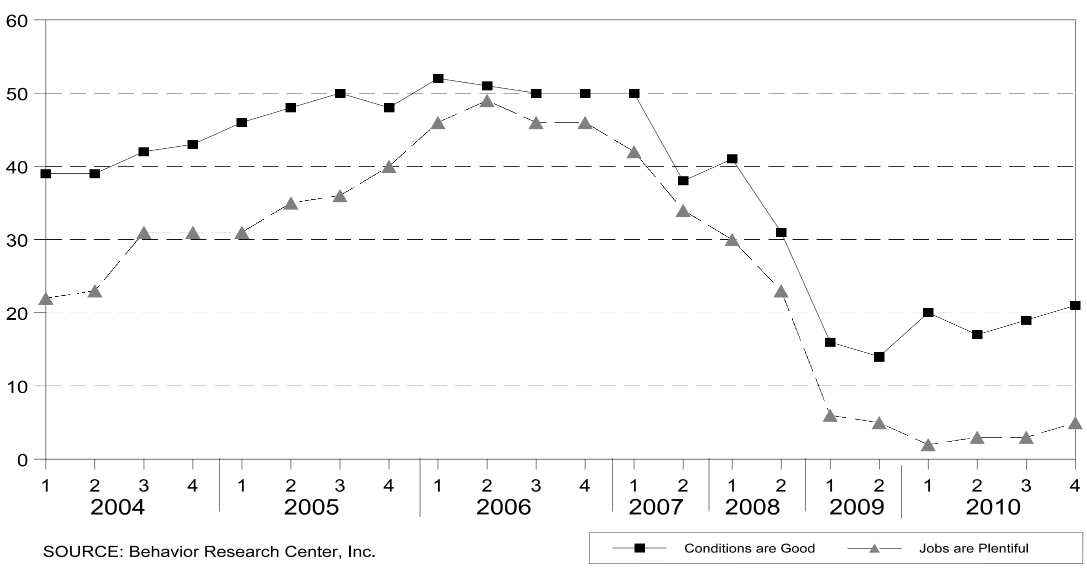
% with Positive Attitudes on
Future Business Conditions and Job Market



Periold/Year

% with Positive Attitudes on
Current Business Conditions and Job Market



Period/Year

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"During the next six months, will you definitely, probably or probably not be making purchases of any of the following items?"

	% Definitely or Probably Planning Purchase			
	October 2010	July 2010	April 2010	Jan 2010
New electronic entertainment or computer equipment over 500 dollars	19.4%	16.5%	15.2%	22.3%
Major remodeling or repairing of any part of your house	17.3	14.2	15.0	17.3
New household furniture	16.9	13.9	13.8	18.1
Major kitchen appliances of any kind	14.2	7.3	8.5	16.1
A new automobile or truck	11.8	10.7	10.2	13.8

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	Definitely	Probably	Total
New electronic entertainment or computer equipment over 500 dollars	7.5%	11.9%	19.4%
Major remodeling or repairing of any part of your house	8.8	8.5	17.3
New household furniture	6.4	10.5	16.9
Major kitchen appliances of any kind	4.6	9.6	14.2
A new automobile or truck	3.9	7.9	11.8

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	Per Cent Planning Any Purchase In The Five Consumer Goods Categories			
	Total	Under 35	35 to 54	55 or Over
Definitely	19%	26%	19%	11%
Probably	28	39	26	21
No purchasing	53	35	55	68
	100%	100%	100%	100%

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"From what you hear or know, is the company you work for growing strongly, growing a little, stagnant or is it struggling to keep its doors open?"

(ASKED ONLY OF PRIVATE SECTOR EMPLOYEES)

	STATEWIDE	MARICOPA	PIMA	RURAL
Growing strongly	36%	37%	22%	41%
Growing a little	26	29	38	12
(Net growing)	(62)	(66)	(60)	(53)
Stagnant	21	19	19	29
Struggling	13	13	21	7
Unsure	4	2	0	11
Total	100%	100%	100%	100%