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Rocky Mountain Poll

NEWS RELEASE [RMP 2011-I-01]

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ARIZONA CONSUMER CONFIDENCE RISES SECOND QUARTER IN A ROW
PLANNED CONSUMER BUYING ALSO SHOWS STRENGTH

Phoenix, Arizona. February 03, 2011. In January, consumer confidence in Arizona rose to its highest level (62.8) since May 2008 (73.4) and planned consumer spending is up in three of five consumer durable goods categories. Renewed confidence is improved both as regards consumer assessment of the current economic situation but more so by their belief that the economy will grow in the coming six months. Thus the Expectations Index rose to 85.5 in January from 77.0 in October and only 65.8 last July. Consumers under 35 years of age appear to be leading the charge both in regard to confidence in the economy and planned purchasing. Consumers over 54 years of age remain pessimistic. This is the second quarter in a row where the Confidence Index has risen in Arizona and may reflect a stronger level of optimism here than is being seen nationally where the Index fell to 53.3 in December but has now started to rise to its current level of 60.6, only 2.8 points behind Arizona.

The rise in the Arizona Consumer Confidence Index to 62.8 in January compares to only 56.3 in October of 2010 and 49.1 last July. Heightened optimism is concentrated in Arizona urban areas but is not yet evident in the rural counties where strong concerns about the job market remain. Optimism is particularly strong in Pima county where the Index spiked to 74.0 in January from 54.1 in October.

The rise in consumer confidence also reflects itself in more robust levels of planned buying of durable consumer goods in three of the five categories tested: new car and truck buying, purchase of new household furnishings and new electronic entertainment or computer equipment. Plans for home remodeling and purchase of major kitchen appliances, both of which rose in October, are now softer, indicating a lower probability of planned buying in those categories.

(Continue)

Most noticeable in this survey is a decrease in the proportion of consumers who define current economic and job environment in negative terms. For example, the proportion who call current business conditions as "bad" softened from 43 percent in October to 38 percent today. Similarly, those saying that "jobs are hard to get" softened to 55 percent from 62 percent in October.

Looking forward, Arizona consumers are more optimistic than at any time in the recent past with the Expectations Index rising in January to 85.5 from 77.0 in October. This January reading is the highest since September of 2009 when it registered 87.1.

Consumers in Arizona rural counties do not show the optimism of their urban cousins. Thus, the Consumer Confidence Index in rural Arizona down-shifted to 54.6 in January compared to 59.1 in October. The major forces pulling the rural readings downward are continued deep pessimism about current business conditions and worries about a worsening job market in the coming six months.

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 said: "The latest figures from the Rocky Mountain Poll provide real evidence that the attitudes of Arizona consumers are improving – continuing a trend that was noted in the fall release. Some economists have likened this 'great recession' to a trip down to the bottom of the Grand Canyon. If so, these numbers suggest that the ascent is underway. Certainly we have some climbing to do, but history suggest that ascents in Arizona can take place rapidly.

"Reinforcing the poll's sentiment numbers is evidence from November retail sales that was released just this week. The significant uptick in consumer purchases in November, predicted in the Rocky Mountain Poll taken early last fall, was very evident in the numbers, with purchases of durables and discretionary items up nicely.

"It is increasingly clear," Dr. Hoffman added, "that the Rocky Mountain Poll provides a clear indication of Arizona consumer sentiment and subsequent consumer behavior. So expect retail activity to 'heat up' along with our daily temperatures this spring."

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ARIZONA CONSUMER CONFIDENCE INDEX January 2011

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EDITOR'S NOTE: **This Rocky Mountain Poll - Arizona (2011-I-01), is based on 700 interviews with adult heads of household statewide, conducted between January 22 and 27, 2011. 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 3.8 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.

ENCLOSED: Statistical tables.

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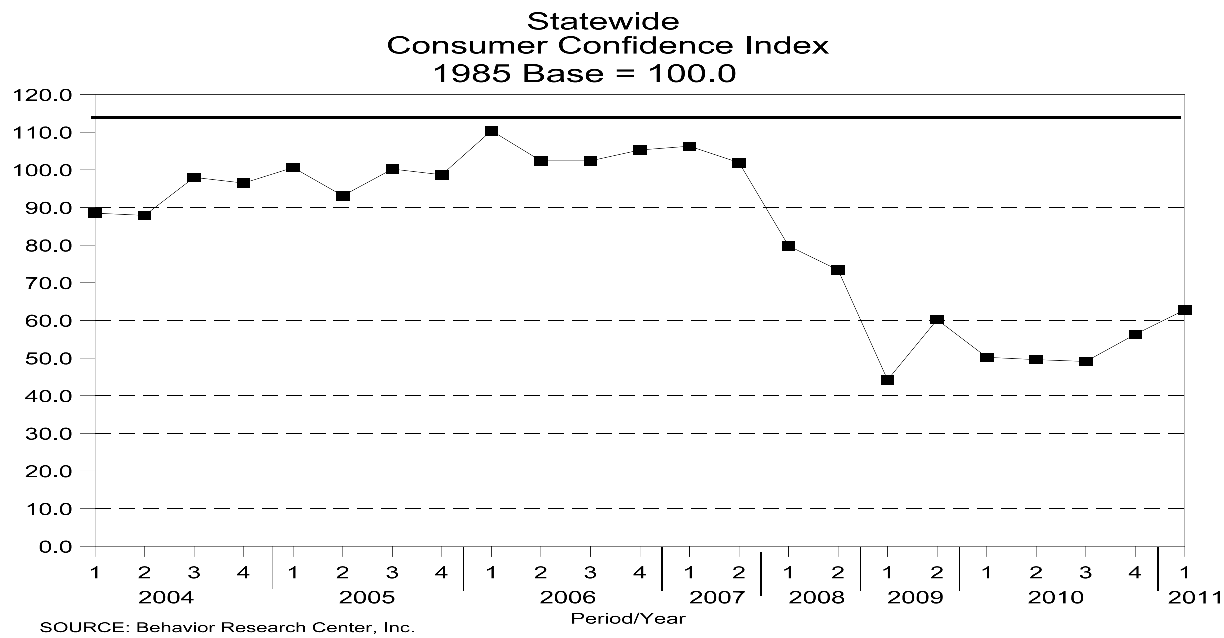

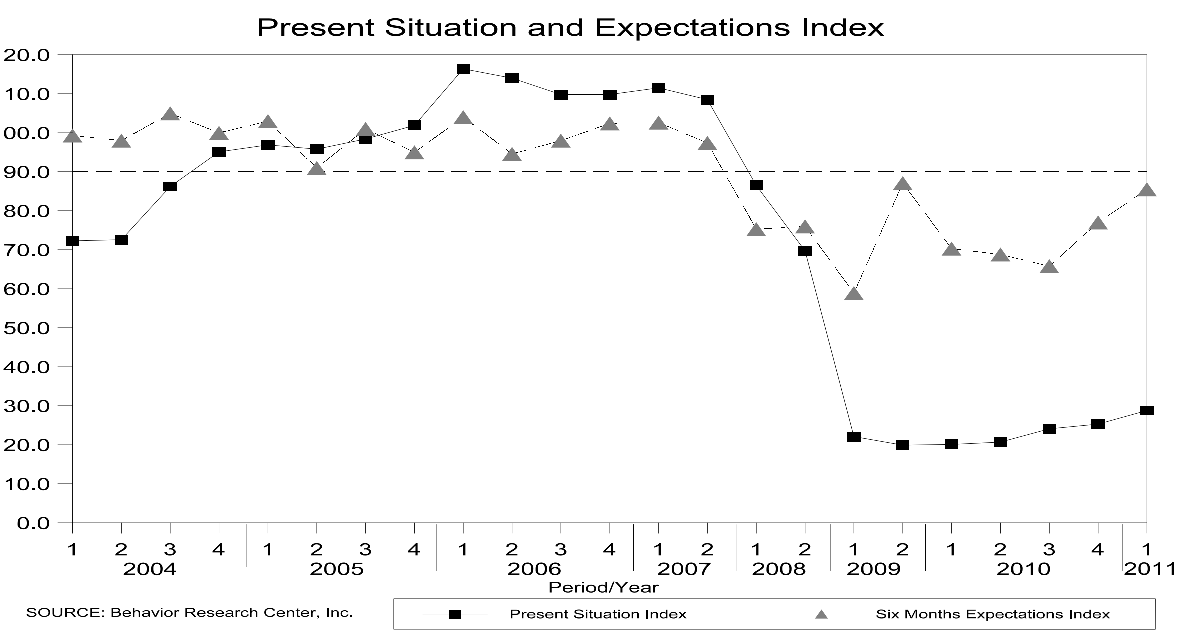

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	2011	2010				2009		2008		2007
	Jan	Oct	Jul	Apr	Jan	Sept	Jan	May	Jan	July
Consumer Confidence Index										
Statewide	62.8	56.3	49.1	49.6	50.2	60.2	44.2	73.4	79.8	101.9
Maricopa	63.5	55.7	52.8	56.0	52.2	58.0	44.1	82.6	88.7	106.6
Pima	74.0	54.1	41.6	42.6	48.6	66.9	48.7	61.1	65.0	96.2
Rural	54.6	59.1	43.5	38.3	46.7	60.7	39.9	58.2	68.8	91.2
Index Detail (Statewide):										
Present Situation Index	28.8	25.3	24.1	20.7	20.0	19.9	22.1	69.7	86.5	108.5
Expectation Index (Next 6 Months)	85.5	77.0	65.8	68.8	70.3	87.1	58.9	76.0	75.3	97.4
Appraisal of Present Situation: Percent Holding Attitude										
Business Conditions:										
Good	22%	21%	19%	17%	20%	14%	16%	31%	34%	38%
Normal	35	31	34	38	30	35	31	41	45	46
Bad	38	43	43	41	46	48	47	25	17	11
Not sure	5	5	4	4	4	3	6	3	4	5
Employment:										
Jobs plentiful	5%	5%	5%	3%	2%	5%	6%	23%	30%	41%
Not so many	31	26	26	30	24	32	26	36	32	34
Jobs hard to get	55	62	63	60	68	57	60	30	24	14
Not sure	9	7	6	7	6	6	8	11	14	11
Expectations For Six Month Hence: Percent Holding Attitude										
Business Conditions:										
Better	32%	27%	25%	29%	28%	44%	24%	28%	23%	25%
Same	48	44	48	43	48	34	37	44	45	59
Worse	16	17	22	21	20	17	29	24	24	11
Not sure	4	12	5	7	4	5	10	4	8	5
Employment:										
More jobs	29%	25%	22%	25%	23%	33%	21%	25%	25%	25%
Same	47	42	43	38	41	38	30	38	39	55
Fewer jobs	18	22	29	30	28	24	40	30	27	13
Not sure	6	11	6	7	8	5	9	7	9	7
Family Income:										
Higher	19%	16%	15%	17%	20%	24%	18%	24%	22%	25%
Same	67	69	70	65	65	62	67	66	68	67
Lower	11	11	13	15	14	12	14	8	7	4
Not sure	3	4	2	3	1	2	1	2	3	4

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Rating Of *Current* General Business Conditions

	Maricopa	Pima	Rural
Good	22%	18%	24%
Normal	36	39	28
Bad	37	34	45
Don't know	5	9	3
	100%	100%	100%

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Rating Of General Business Conditions *Six Months Hence*

	Maricopa	Pima	Rural
Better	32%	37%	28%
About the same	47	50	50
Worse	16	10	18
Don't know	5	3	4
	100%	100%	100%

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Rating Of Family Income *Six Months Hence*

	Maricopa	Pima	Rural
Higher	22%	19%	12%
About the same	62	77	72
Lower	12	2	15
Don't know	4	2	1
	100%	100%	100%

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Rating Of *Current* Job Availability

	Maricopa	Pima	Rural
Plenty	6%	3%	4%
Not so many	32	30	26
Hard to get	52	54	64
Don't know	10	13	6
	100%	100%	100%

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Rating Of Job Availability *Six Months Hence*

	Maricopa	Pima	Rural
More	27%	38%	27%
About the same	49	39	49
Fewer	18	15	18
Don't know	6	8	6
	100%	100%	100%

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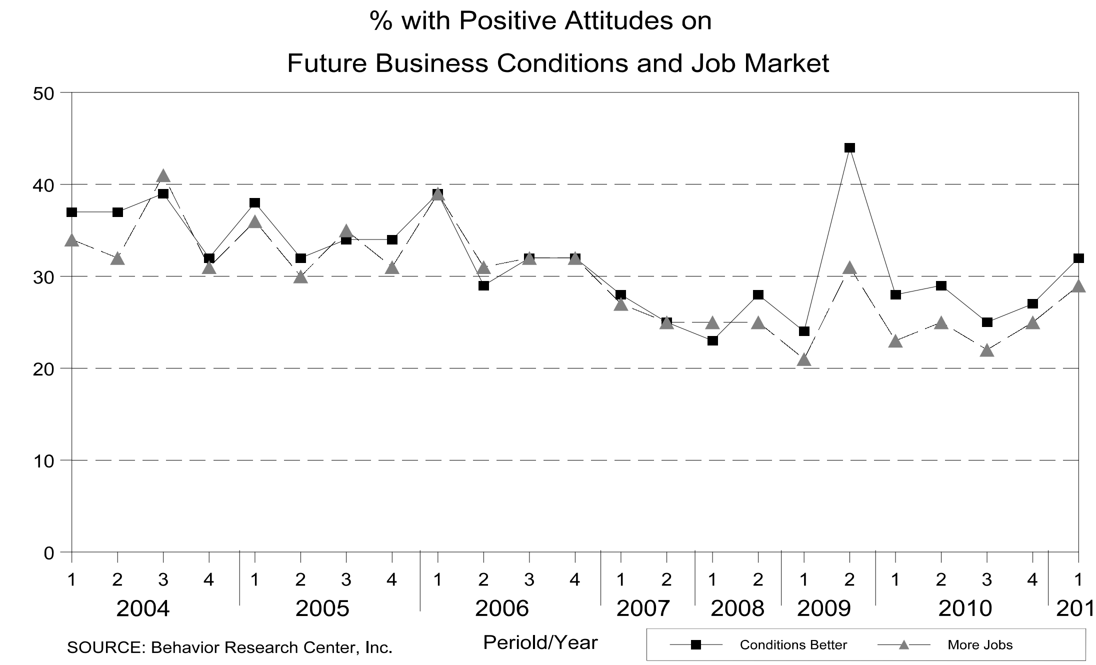

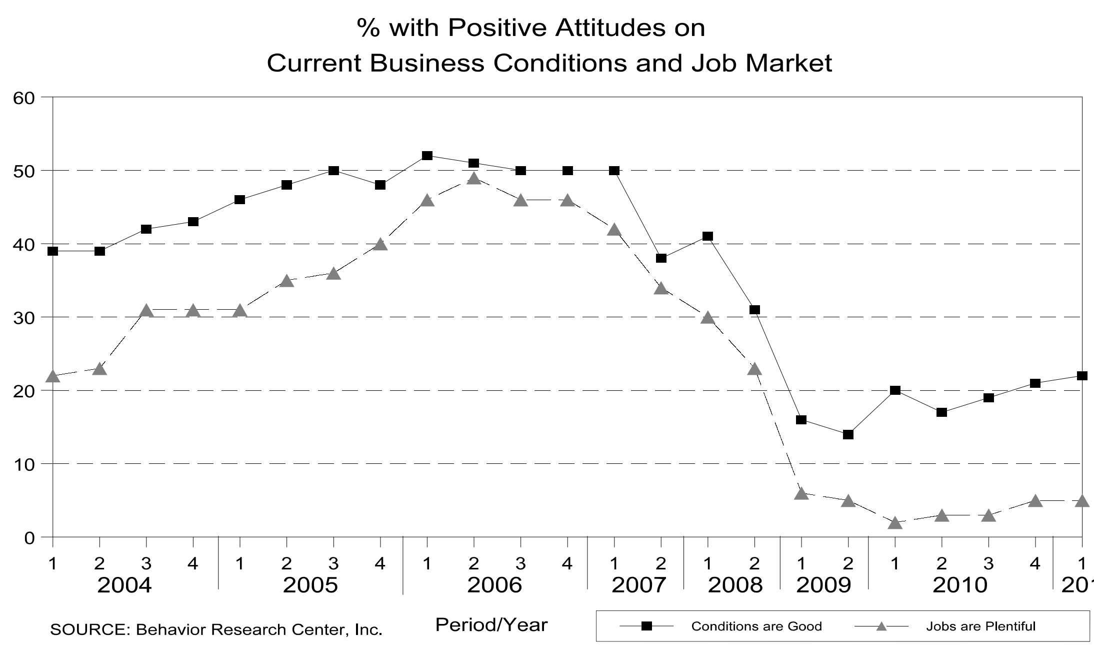

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"During the next six months, will you definitely, probably or probably not be making purchases of any of the following items?"

	% Definitely or Probably Planning Purchase			
	2011	2010		
	Jan	Oct	Jul	Apr
New electronic entertainment or computer equipment over 500 dollars	21.3%	19.4%	16.5%	15.2%
New household furniture	17.5	16.9	13.9	13.8
Major remodeling or repairing of any part of your house	13.2	17.3	14.2	15.0
A new automobile or truck	12.5	11.8	10.7	10.2
Major kitchen appliances of any kind	9.7	14.2	7.3	8.5

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	Definitely	Probably	Total
New electronic entertainment or computer equipment over 500 dollars	5.2%	16.1%	21.3%
New household furniture	6.0	11.5	17.5
Major remodeling or repairing of any part of your house	5.7	7.5	13.2
A new automobile or truck	3.2	9.3	12.5
Major kitchen appliances of any kind	2.9	6.8	9.7

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	Planned Purchasing Summary			
	Total	Under 35	35 to 54	55 or Over
Definitely	16%	18%	16%	14%
Probably	31	42	32	20
Any Purchase	47%	60%	48%	34%

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