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Rocky Mountain Poll

NEWS RELEASE [RMP 2011-II-02]

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PLANNED CONSUMER BUYING LOOKS POSITIVE EVEN THOUGH CONSUMER CONFIDENCE DROPS IN ARIZONA

Phoenix, Arizona. May 10, 2011. Consumer confidence in the economy among Arizonans has, after two quarters of improvement, dropped to 51.9 from 62.8 in January and 56.3 last October. Nonetheless, the Index remains modestly stronger than levels seen in the spring and summer of 2010 when it rested at 49.1 in July and 49.6 in April.

Notwithstanding consumers caution about the economy, and particularly about the job market, they are confident enough that planned purchasing of major consumer durable goods remains steady or improved for such items as new home furnishing, major kitchen appliances, home remodeling and home computer and entertainment equipment. It may also be that pent up demand and replacement necessity are at work in consumer plans to continue making purchases. Planned new automotive purchases, however, has slipped to its lowest level in 12 months. Planned purchasing continues to be driven most strongly by younger consumers, 61 percent of whom are planning purchases of at least one major consumer durable in the coming 12 months ... a level comparable to the previous two quarters. It also appears that consumers over 54 years of age may be playing themselves into the purchasing cycle more strongly than in the past several quarters as within their ranks, planned purchasing of at least one major consumer durable rose to 38 percent today compared to 34 percent January and only 32 percent in October of last year. It is among 35 to 54 year olds that planned purchasing appears most tentative with only 31 percent planning a purchase compared to 48 percent in January.

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The decline in consumer confidence is being felt across the state but appears particularly acute in Pima county where the Index fell to 50.3 from 74.0 in January. Although the Index also fell in Maricopa county, it is still above the statewide average there and comparable to or better than readings throughout 2010. As the principal economic engine of the state, the more positive readings in Maricopa county are encouraging.

Two principal factors appear to account for the drop in the Index: First, confidence in the direction economic conditions will take in the coming six months, which had been rising steadily since last October, reversed itself and fell to 69.5 from 85.5. The second factor is deepening consumer pessimism about whether the next six months will see improved employment opportunities. The proportion who believe jobs will be "harder to find" jumped from only 18 percent in January to 29 percent today and the proportion who think jobs will be more plentiful in the coming six months softened to 25 percent from 29 percent in January. Running in parallel with concerns about the job market, the proportion of families who believe their income will increase in the coming six months has shrunk from 19 percent in January to 12 percent today – the lowest level in since January of 2007. This pessimism about job growth comes just as most analysts believe the U.S. economy is showing steady signs of recovery – adding 244,000 jobs in April even though the U.S. unemployment rate between April and March, rose to 9.0 from 8.8. It appears that consumers are more sensitive to news about the rate of unemployment than to news about new job creation figures across the country.

The concern about future jobs and family income comes even as our same survey registers modest growth in consumer belief that current business conditions show signs of improvement. Compared to this time last year when only 17 percent were willing to describe business conditions as "good," 24 percent think that is the case today. Similarly, a year ago, 41 percent thought business conditions were "bad" – a number that has shrunk to 35 percent today. Such seemingly conflicting perspectives may suggest that consumer confidence is less likely to be buoyed by theories of "trickle down economics" than by what they see in the job market closest to home.

Dr. Dennis Hoffman, Director of L. William Seidman Research at W. P. Carey School of Business observed: "The latest news from the Behavior Research Center consumer sentiment poll is a bit surprising given the recent surge in retail transactions that has taken place over the past few months. Attitudes and buying plans have eroded somewhat in the recent survey. There is a sharp decline in the share of people contemplating an automobile purchase. This may, in part, stem from the fact that auto sales have been very robust over the winter months and the immediate demand for

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a new car or truck may have been satisfied by this latest surge in purchasing. It is also possible that high fuel prices and continuing labor market challenges proved to be headwinds. Looking ahead, consumer attitudes will dictate the pace of the recovery so economists will be looking carefully for a resumption in the trajectory of higher consumer sentiment numbers in the next several surveys.

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EDITOR'S NOTE: **This Rocky Mountain Poll - Arizona (2011-II-02), is based on 700 interviews with adult heads of household statewide, conducted between April 15 and 30, 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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ARIZONA CONSUMER CONFIDENCE INDEX April 2011

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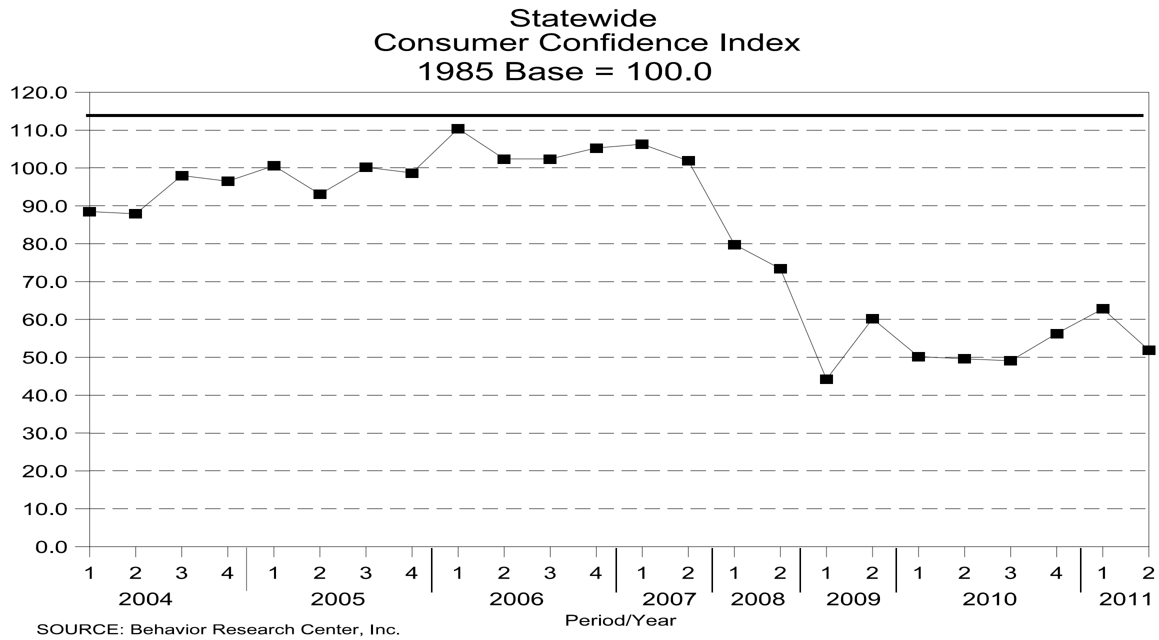

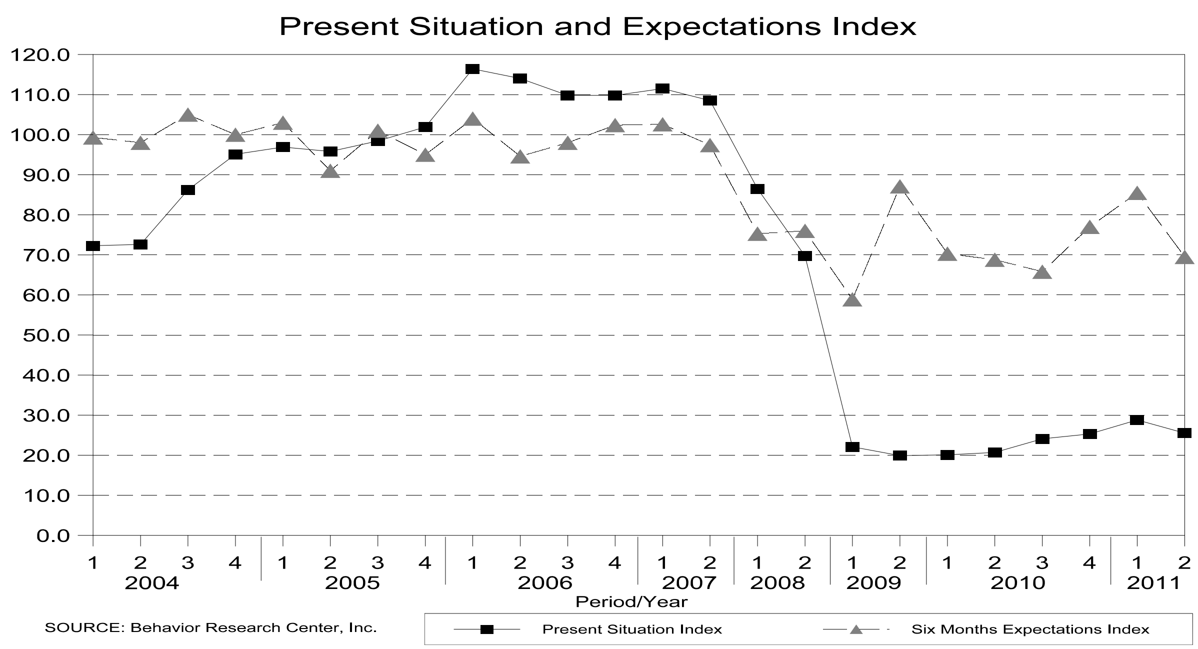

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	2011		2010				2009		2008	
	Apr	Jan	Oct	Jul	Apr	Jan	Sept	Jan	May	Jan
Consumer Confidence Index										
Statewide	51.9	62.8	56.3	49.1	49.6	50.2	60.2	44.2	73.4	79.8
Maricopa	56.4	63.5	55.7	52.8	56.0	52.2	58.0	44.1	82.6	88.7
Pima	50.3	74.0	54.1	41.6	42.6	48.6	66.9	48.7	61.1	65.0
Rural	41.8	54.6	59.1	43.5	38.3	46.7	60.7	39.9	58.2	68.8
Index Detail (Statewide):										
Present Situation Index	25.5	28.8	25.3	24.1	20.7	20.0	19.9	22.1	69.7	86.5
Expectation Index (Next 6 Months)	69.5	85.5	77.0	65.8	68.8	70.3	87.1	58.9	76.0	75.3
	Appraisal of Present Situation: Percent Holding Attitude									
Business Conditions:										
Good	24%	22%	21%	19%	17%	20%	14%	16%	31%	34%
Normal	37	35	31	34	38	30	35	31	41	45
Bad	35	38	43	43	41	46	48	47	25	17
Not sure	4	5	5	4	4	4	3	6	3	4
Employment:										
Jobs plentiful	2%	5%	5%	5%	3%	2%	5%	6%	23%	30%
Not so many	31	31	26	26	30	24	32	26	36	32
Jobs hard to get	59	55	62	63	60	68	57	60	30	24
Not sure	8	9	7	6	7	6	6	8	11	14
	Expectations For Six Month Hence: Percent Holding Attitude									
Business Conditions:										
Better	29%	32%	27%	25%	29%	28%	44%	24%	28%	23%
Same	49	48	44	48	43	48	34	37	44	45
Worse	18	16	17	22	21	20	17	29	24	24
Not sure	4	4	12	5	7	4	5	10	4	8
Employment:										
More jobs	25%	29%	25%	22%	25%	23%	33%	21%	25%	25%
Same	39	47	42	43	38	41	38	30	38	39
Fewer jobs	29	18	22	29	30	28	24	40	30	27
Not sure	7	6	11	6	7	8	5	9	7	9
Family Income:										
Higher	12%	19%	16%	15%	17%	20%	24%	18%	24%	22%
Same	73	67	69	70	65	65	62	67	66	68
Lower	13	11	11	13	15	14	12	14	8	7
Not sure	2	3	4	2	3	1	2	1	2	3

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Rating Of *Current* General Business Conditions

	Maricopa	Pima	Rural
Good	22%	22%	28%
Normal	37	37	37
Bad	35	39	34
Don't know	6	2	1
	100%	100%	100%

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Rating Of *Current* Job Availability

	Maricopa	Pima	Rural
Plenty	2%	1%	1%
Not so many	33	29	28
Hard to get	58	59	64
Don't know	7	11	7
	100%	100%	100%

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Rating Of General Business Conditions *Six Months Hence*

	Maricopa	Pima	Rural
Better	31%	26%	27%
About the same	49	48	48
Worse	16	20	21
Don't know	4	6	4
	100%	100%	100%

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Rating Of Job Availability *Six Months Hence*

	Maricopa	Pima	Rural
More	30%	22%	16%
About the same	40	37	39
Fewer	23	32	41
Don't know	7	9	4
	100%	100%	100%

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Rating Of Family Income *Six Months Hence*

	Maricopa	Pima	Rural
Higher	14%	13%	9%
About the same	72	75	71
Lower	13	5	19
Don't know	1	7	1
	100%	100%	100%

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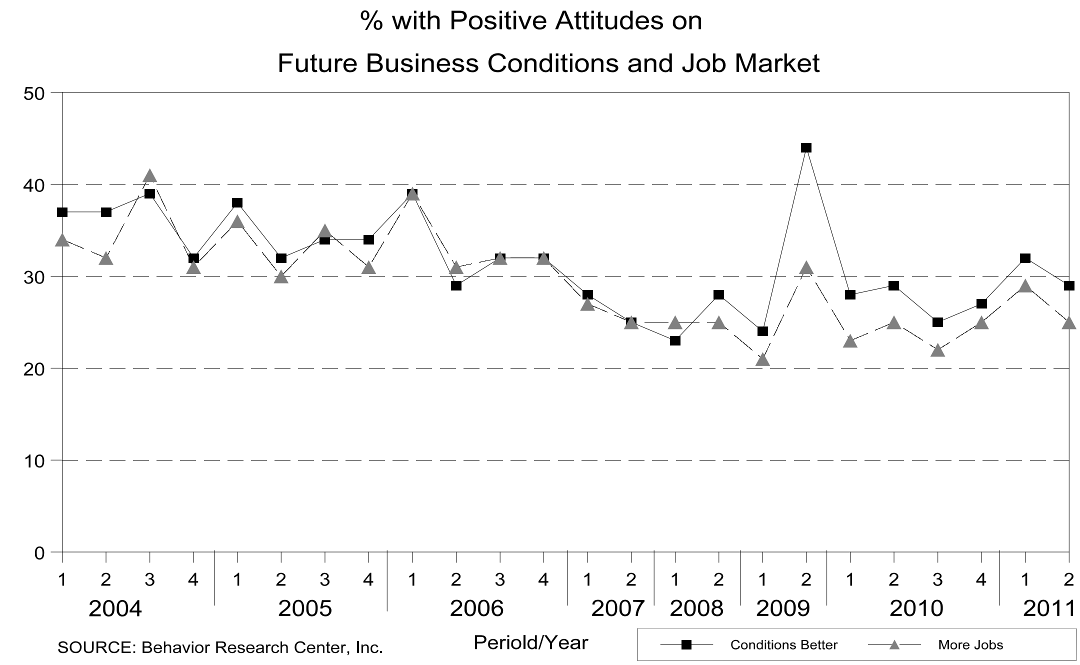
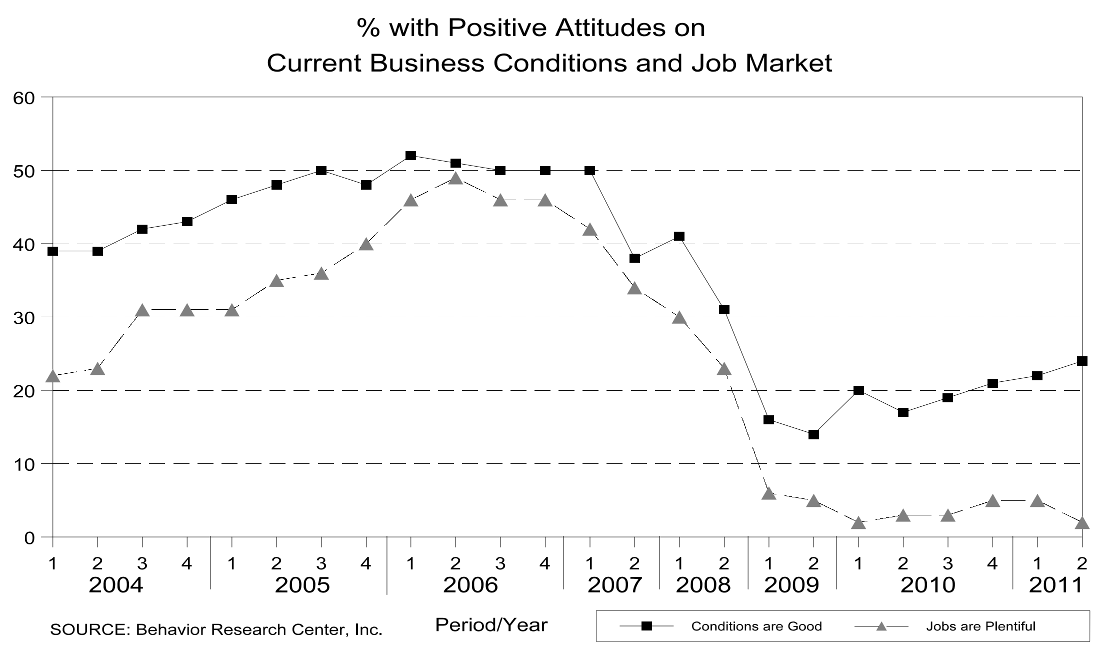

% with Positive Attitudes on
Future Business Conditions and Job Market
50
40
30
20
10
0
2004
2005
2006
2007
2008
2009
2010
2011
SOURCE: Behavior Research Center, Inc.
Periold/Year
Conditions Better
More Jobs


% with Positive Attitudes on
Current Business Conditions and Job Market
60
50
40
30
20
10
0
2004
2005
2006
2007
2008
2009
2010
2011
SOURCE: Behavior Research Center, Inc.
Period/Year
Conditions are Good
Jobs are Plentiful

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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		
	Apr	Jan	Oct	Jul	Apr
New electronic entertainment or computer equipment over 500 dollars	21.7%	21.3%	19.4%	16.5%	15.2%
New household furniture	18.7	17.5	16.9	13.9	13.8
Major remodeling or repairing of any part of your house	13.3	13.2	17.3	14.2	15.0
Major kitchen appliances of any kind	10.7	9.7	14.2	7.3	8.5
A new automobile or truck	8.8	12.5	11.8	10.7	10.2

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	Definitely	Probably	Total
New electronic entertainment or computer equipment over 500 dollars	7.7%	14.0%	21.7%
New household furniture	4.9	13.8	18.7
Major remodeling or repairing of any part of your house	6.5	6.8	13.3
Major kitchen appliances of any kind	3.5	7.2	10.7
A new automobile or truck	2.4	6.4	8.8

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	Planned Purchasing Summary			
	Total	Under 35	35 to 54	55 or Over
Definitely	17%	19%	14%	19%
Probably	26	42	17	19
Any Purchase	43%	61%	31%	38%

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