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# Rocky Mountain Poll

NEWS RELEASE [RMP 2011-III-02]

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## 63 % SAY ARIZONA JOB MARKET IS BAD
## ACROSS ARIZONA DEEP CONSUMER APPREHENSION
## ABOUT BUSINESS CONDITIONS
## PLANNED BUYING STATIC

Phoenix, Arizona. August 5, 2011. Consumer confidence in the economy remains at dismal levels in a survey completed during the height of the debate in Washington about raising the debt ceiling and cutting federal programs. Today, the Arizona Consumer Confidence Index is 54.0, a figure that continues the pessimistic outlook of consumers which has lurched up and down between a high of 62.8 and a low of 44.2 since 2009 . Current Index readings are a far cry from 2006 and 2007 when the Index readings exceeded 100.0 and even the 2008 readings which hovered around 75.0.

Today, only a fifth of Arizona consumers characterize current business conditions as "good" while 43 percent believe conditions are "bad." In the same vein, only six percent say the job market is plentiful with jobs, a shallow improvement over April when barely two percent considered jobs to be plentiful in Arizona. These pitiful 2011 readings may be put into greater perspective by looking back to 2008 when 23 percent said jobs were plentiful in Arizona. During the 2006 and 2007 period, it was the norm that around 45 percent took the view that "jobs are plentiful" in Arizona. Similar readings are being reported nationally by the Conference Board.

As Arizona consumers look ahead to the end of the year, their pessimism is deep indeed: 67 percent expect business conditions will remain unchanged or worsen; 70 percent believe the job market will remain unchanged or worsen and 77 percent believe their family income situation will remain unchanged or worse.

Attitudes toward the economy are most favorable in Maricopa County where the Index rests at 60.9. The Maricopa County Index has been seesawing between the mid 50s and low 60s since the end of 2009. In Pima County the Index has dropped to 40.3, its historic low. Things are not much better in the rapidly growing rural areas of the state where the Index is currently at 44.7 compared to 41.8 in April and 54.6 in January.

(Continue)

In the same survey we find that planned buying of consumer major durable goods is stagnant, with 44 percent of households planning a purchase, virtually the same reading as in April (43%). Gains may be seen in two categories: automotive and home remodeling, but no improvement is foreseen as regards household furniture, major kitchen appliances or new electronic equipment for the home (see page 7). Commenting on the results, Dr. Dennis Hoffman, Director of the L. William Seidman Research Center at the W. P. Carey School of Business at ASU observed: "The latest Rocky Mountain poll of consumer attitudes in Arizona is consistent with the latest news we have received on the economy. The once promising hopes of accelerating growth in the second half of 2011 are fading as it becomes clear that consumer confidence continues to languish. And without improvements in confidence, businesses will be slow to hire, creating the perpetual circle of no confidence, no jobs and no jobs, no confidence. Those wishing for rebounds like we had in the 70s and 80s might be reminded that deep recessions triggered by wealth shocks and financial crises leave long run negative imprints on economies. Logic suggests that attitudes will improve with time and consumers will warm to the notion of replacing durables like automobiles, furniture, etc. But a return to purchases of these items at rates we observed historically is likely a few years off." (Dr. Hoffman may be contacted at 480 965-5362.)

Earl de Berge, Research Director for the Center opined "Can it be doubted that the endless name calling and partisan infighting in Washington has demoralized consumers from playing a more assertive role in investing in new consumer durable goods and has raised questions in their minds as to whether the electoral changes they made in Washington favoring the Democrats in 2008 and then switching back toward the Republicans in 2011 have produced results that give them comfort? This same survey finds that four in ten voters in this generally conservative state are unsure that Arizona's best choice next year is to return either a Democrat or a Republican to the seat being vacated by U.S. Senator Jon Kyl (R). The sad truth is that Arizona remains in a trough of pessimism and apprehension – hardly an environment that will help energize the much needed growth in consumer buying."

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EDITOR'S NOTE: **This Rocky Mountain Poll - Arizona (2011-III-02), is based on 716 interviews with adult heads of household statewide, conducted between July 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

**STATISTICAL DATA** Behavior Research Center
ARIZONA CONSUMER CONFIDENCE INDEX July 2011
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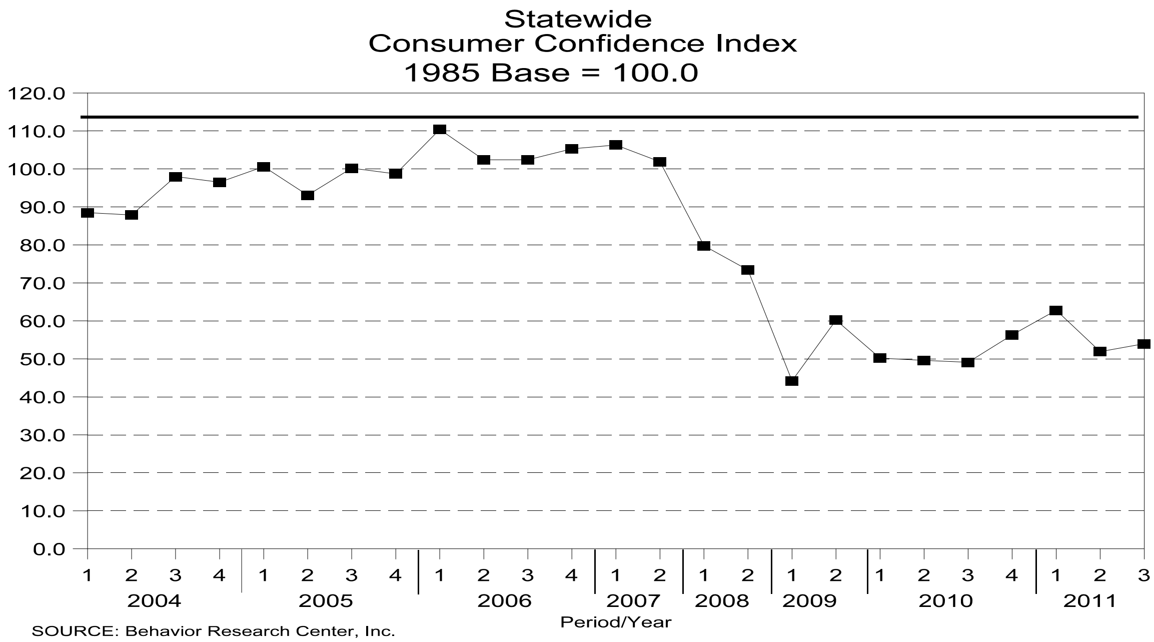


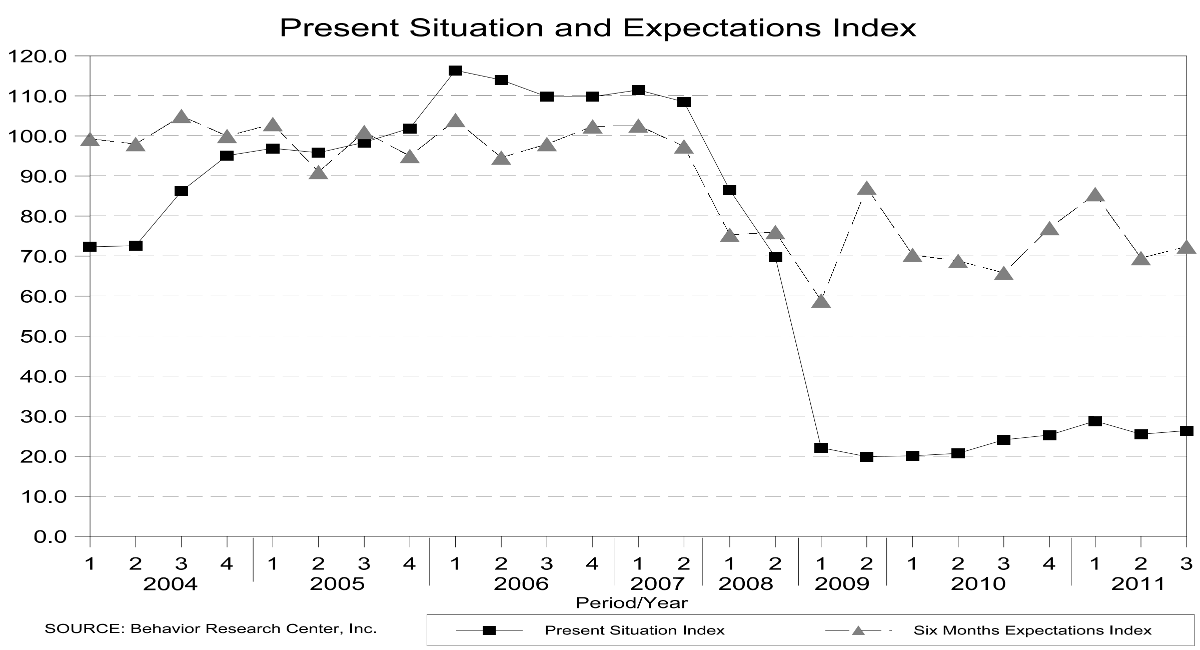

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| | 2011 | | | 2010 | | | | 2009 | | 2008 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Jul | Apr | Jan | Oct | Jul | Apr | Jan | Sept | Jan | May |
| Consumer Confidence Index | | | | | | | | | | |
| Statewide | 54.0 | 51.9 | 62.8 | 56.3 | 49.1 | 49.6 | 50.2 | 60.2 | 44.2 | 73.4 |
| Maricopa | 60.9 | 56.4 | 63.5 | 55.7 | 52.8 | 56.0 | 52.2 | 58.0 | 44.1 | 82.6 |
| Pima | 40.3 | 50.3 | 74.0 | 54.1 | 41.6 | 42.6 | 48.6 | 66.9 | 48.7 | 61.1 |
| Rural | 44.7 | 41.8 | 54.6 | 59.1 | 43.5 | 38.3 | 46.7 | 60.7 | 39.9 | 58.2 |
| Index Detail (Statewide): | | | | | | | | | | |
| Present Situation Index | 26.4 | 25.5 | 28.8 | 25.3 | 24.1 | 20.7 | 20.0 | 19.9 | 22.1 | 69.7 |
| Expectation Index (Next 6 Months) | 72.4 | 69.5 | 85.5 | 77.0 | 65.8 | 68.8 | 70.3 | 87.1 | 58.9 | 76.0 |
| *Appraisal of Present Situation: Percent Holding Attitude* | | | | | | | | | | |
| Business Conditions: | | | | | | | | | | |
| Good | 21% | 24% | 22% | 21% | 19% | 17% | 20% | 14% | 16% | 31% |
| Normal | 32 | 37 | 35 | 31 | 34 | 38 | 30 | 35 | 31 | 41 |
| Bad | 43 | 35 | 38 | 43 | 43 | 41 | 46 | 48 | 47 | 25 |
| Not sure | 4 | 4 | 5 | 5 | 4 | 4 | 4 | 3 | 6 | 3 |
| Employment: | | | | | | | | | | |
| Jobs plentiful | 6% | 2% | 5% | 5% | 5% | 3% | 2% | 5% | 6% | 23% |
| Not so many | 25 | 31 | 31 | 26 | 26 | 30 | 24 | 32 | 26 | 36 |
| Jobs hard to get | 63 | 59 | 55 | 62 | 63 | 60 | 68 | 57 | 60 | 30 |
| Not sure | 6 | 8 | 9 | 7 | 6 | 7 | 6 | 6 | 8 | 11 |
| *Expectations For Six Month Hence: Percent Holding Attitude* | | | | | | | | | | |
| Business Conditions: | | | | | | | | | | |
| Better | 25% | 29% | 32% | 27% | 25% | 29% | 28% | 44% | 24% | 28% |
| Same | 47 | 49 | 48 | 44 | 48 | 43 | 48 | 34 | 37 | 44 |
| Worse | 20 | 18 | 16 | 17 | 22 | 21 | 20 | 17 | 29 | 24 |
| Not sure | 8 | 4 | 4 | 12 | 5 | 7 | 4 | 5 | 10 | 4 |
| Employment: | | | | | | | | | | |
| More jobs | 23% | 25% | 29% | 25% | 22% | 25% | 23% | 33% | 21% | 25% |
| Same | 39 | 39 | 47 | 42 | 43 | 38 | 41 | 38 | 30 | 38 |
| Fewer jobs | 31 | 29 | 18 | 22 | 29 | 30 | 28 | 24 | 40 | 30 |
| Not sure | 7 | 7 | 6 | 11 | 6 | 7 | 8 | 5 | 9 | 7 |
| Family Income: | | | | | | | | | | |
| Higher | 21% | 12% | 19% | 16% | 15% | 17% | 20% | 24% | 18% | 24% |
| Same | 67 | 73 | 67 | 69 | 70 | 65 | 65 | 62 | 67 | 66 |
| Lower | 10 | 13 | 11 | 11 | 13 | 15 | 14 | 12 | 14 | 8 |
| Not sure | 2 | 2 | 3 | 4 | 2 | 3 | 1 | 2 | 1 | 2 |

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Rating Of *Current* General Business Conditions

| | Maricopa | Pima | Rural |
|---|---|---|---|
| Good | 23% | 17% | 20% |
| Normal | 31 | 33 | 35 |
| Bad | 42 | 47 | 41 |
| Don't know | 4 | 3 | 4 |
| | 100% | 100% | 100% |

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Rating Of *Current* Job Availability

| | Maricopa | Pima | Rural |
|---|---|---|---|
| Plenty | 6% | 4% | 6% |
| Not so many | 26 | 27 | 23 |
| Hard to get | 63 | 63 | 64 |
| Don't know | 5 | 6 | 7 |
| | 100% | 100% | 100% |

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Rating Of General Business Conditions *Six Months Hence*

| | Maricopa | Pima | Rural |
|---|---|---|---|
| Better | 32% | 19% | 14% |
| About the same | 46 | 48 | 48 |
| Worse | 16 | 27 | 24 |
| Don't know | 6 | 6 | 14 |
| | 100% | 100% | 100% |

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Rating Of Job Availability *Six Months Hence*

| | Maricopa | Pima | Rural |
|---|---|---|---|
| More | 25% | 17% | 21% |
| About the same | 38 | 45 | 35 |
| Fewer | 27 | 34 | 38 |
| Don't know | 10 | 4 | 6 |
| | 100% | 100% | 100% |

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Rating Of Family Income *Six Months Hence*

| | Maricopa | Pima | Rural |
|---|---|---|---|
| Higher | 24% | 11% | 20% |
| About the same | 66 | 73 | 63 |
| Lower | 8 | 13 | 15 |
| Don't know | 2 | 3 | 2 |
| | 100% | 100% | 100% |

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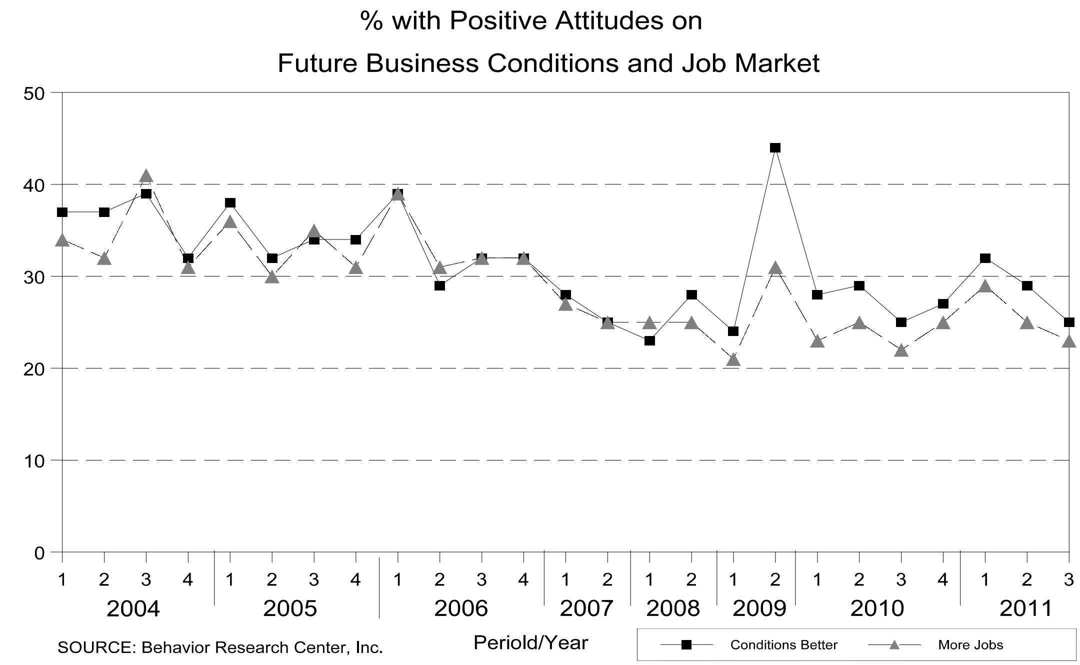


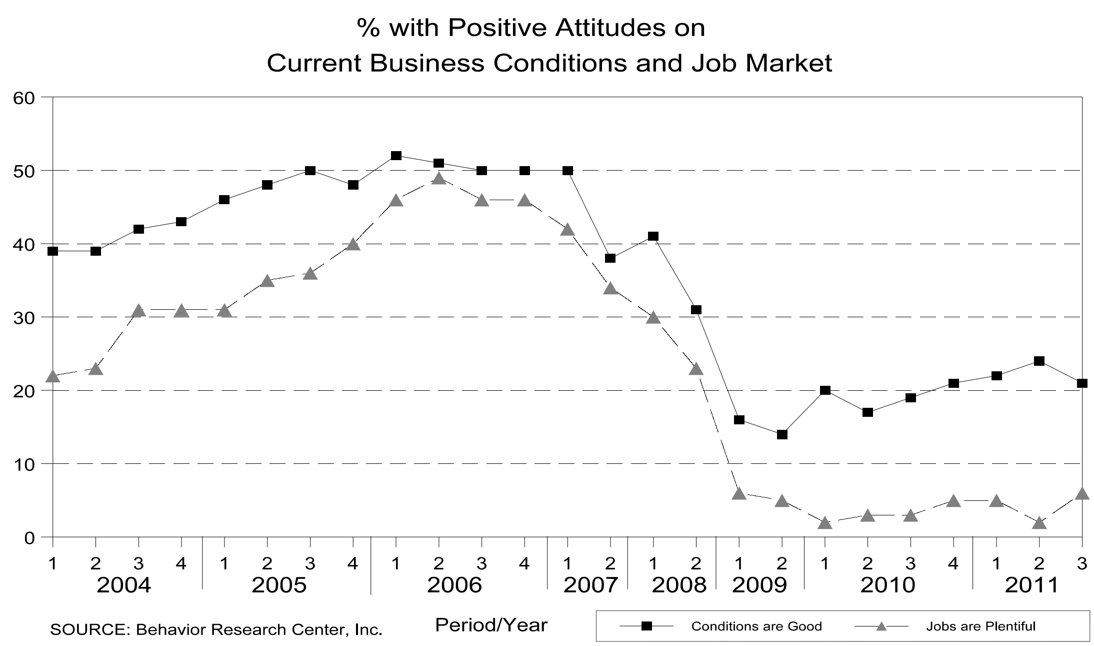

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*"During the next six months, will you definitely, probably or probably not be making purchases of any of the following items?"*

| | % Definitely or Probably Planning Purchase | | | | |
|---|---|---|---|---|---|
| | 2011 | | | 2010 | |
| | Jul | Apr | Jan | Oct | Jul |
| New electronic entertainment or computer equipment over 500 dollars | 21.6% | 21.7% | 21.3% | 19.4% | 16.5% |
| New household furniture | 16.4 | 18.7 | 17.5 | 16.9 | 13.9 |
| Major remodeling or repairing of any part of your house | 16.2 | 13.3 | 13.2 | 17.3 | 14.2 |
| A new automobile or truck | 11.7 | 8.8 | 12.5 | 11.8 | 10.7 |
| Major kitchen appliances of any kind | 9.1 | 10.7 | 9.7 | 14.2 | 7.3 |

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| | Definitely | Probably | Total |
|---|---|---|---|
| New electronic entertainment or computer equipment over 500 dollars | 6.5% | 15.1% | 21.6% |
| New household furniture | 6.3 | 10.1 | 16.4 |
| Major remodeling or repairing of any part of your house | 7.0 | 9.2 | 16.2 |
| A new automobile or truck | 3.4 | 8.3 | 11.7 |
| Major kitchen appliances of any kind | 3.5 | 5.6 | 9.1 |

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| | Planned Purchasing Summary July 2011 | | | | |
|---|---|---|---|---|---|
| | July Total | Under 35 | 35 to 54 | 55 or Over | April 2011 |
| Definitely | 20% | 25% | 20% | 16% | 17% |
| Probably | 24 | 33 | 21 | 19 | 26 |
| Any Purchase | 44 | 58 | 41 | 35 | 43 |

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