behavior research center's

Rocky Mountain Poll

NEWS RELEASE [RMP 2013-III-05]

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ARIZONA CONSUMER CONFIDENCE RISING
PLANNED DURABLE GOODS BUYING SHOWS HEALTHY SPIKE

Phoenix, Arizona, August 15, 2013. Arizonans' confidence in the economy continues to improve as consumer assessment of the current business and economic environment remains basically stable while their view of the future has brightened. The overall Consumer Confidence Index now stands at 72.5 compared to 69.6 in April and their assessment of the current economic climate remains stable at around 50.0. The Index reflecting their view of the coming six months is much improved, rising 6.2 points to 87.5. Reflecting this growth in confidence, consumer buying of major consumer durable good also rose - now planned within more than half of consumer households.

The overall Consumer Confidence Index is comprised of two important components: (a) what consumers think of the economy today (Present) and (b) what they expect it will be six months hence (Expectations). For the overall Consumer Confidence Index to really be considered ebullient both the Present Situation and the Expectations Index need to rise simultaneously. Today, after a cooling of confidence in the future as was noted in April, the Expectations Index has rebounded, which may signal more consumer buying as we move toward the end of the year and the all-important holiday buying season.

The current reading is less than we had hoped for, yet the positive shift in Arizonans' expectations about the future is clearly a good sign, noted Research Director for Behavior Research Center, Earl de Berge.

The net result when the two indices are merged to calculate the overall Consumer Confidence Index is a modest rise to 72.5 from 69.6, the highest since May 2008.

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While the current readings are encouraging, it is also clear that consumers remain hesitant to signal that they believe recovery is fully at hand. Indeed, their views remain mixed. For example, while there is growth in the belief that business conditions are strengthening, consumers are less confident that the job market is improving. Thus, the percent who assess business conditions as "good" rose to 33 percent from 29 percent in April. On the other hand, the proportion who say jobs are "hard to get" also rose from 43 percent in April to 47 percent today. But as Arizonans look to the future, what is clearly happening is that negative assessments are softening. The proportion who expect business conditions to "worsen" dropped to 13 percent from 19 percent in April. Sixty-three percent expect the jobs market to be stable or improved over the next six months and only eight percent anticipate their family income will decline in that same period.

Today, 81 percent predict that business conditions between now and the end of the year will be stable or improve and 69 percent think the job market will be stable or improve.

Importantly, the Consumer Confidence Index rose in all regions of the state: up 8.0 points in Maricopa and Pima Counties, and 7.3 points in the rural counties.

In this survey we also took a fresh look at consumer buying intentions across five categories of durable consumer goods. When today's buying plans are compared to January of 2011, when we last looked asked these questions, planned purchasing is stronger in all categories, which certainly seems to reflect consumers' improved attitudes toward the general economic climate and their place within it.

Today, 55 percent of Arizona consumer households are planning to make purchases in one or more of these categories and the surge in buying plans is led by consumers under 55 years of age, and especially by those under 35 years of age.

Buying plans look particularly robust in two categories: new household furniture and also in major remodeling or repairing of the home. This may reflect consumer buying that was put off during the recession but which is now more in need of attention. In both of these categories, roughly a quarter of consumer households now plan expenditures in the coming six months . We also find that 26.5 percent of consumers plan on making electronic equipment or computer purchases in excess of $500 in the coming six months. Finally, new automotive buying rose to 17.7 percent of households and planned buying of kitchen appliances rose 13.7 percent of households – both levels well above what was seen in 2011.

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Commenting on the July, 2013 findings, Dr. Dennis Hoffman of the L. William Seidman Research Institute at the W.P. Carey School of Business noted the following: "The results of the latest Rocky Mountain Poll are completely consistent with the current healthy pace of retail sales in Arizona and bode well for continued spending by Arizona consumers. The consumer optimism does not seem to be coming from accelerated job growth – which has languished – but seems to be sustainable nonetheless. Spending on consumer durables is robust – no doubt fueled by the confidence of those who have maintained employment throughout the great recession. Raises appear to be more prevalent this year and many households have benefitted from the ability to refinance home mortgages at historically low rates – thereby generating more disposable income. It is also important to note that the erosion in housing and equity wealth that dampened consumer psychology during the great recession is reversing and many households are once again enjoying wealth and appreciation." (Dr. Hoffman may be contacted at 480-965-5362).

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For this and other polls, see www.brcpolls.com/results.RMP (2013-III-05)

EDITOR'S NOTE: **This Rocky Mountain Poll - Arizona (2013-III-05), is based on 701 interviews with adult heads of household statewide, conducted between July 8 and 21, 2013. Interviewing was conducted in English or Spanish by professional interviewers of the Behavior Research Center on both land lines and cell phones. Where necessary, figures for age, sex, and race 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
Rocky Mountain Poll - Arizona
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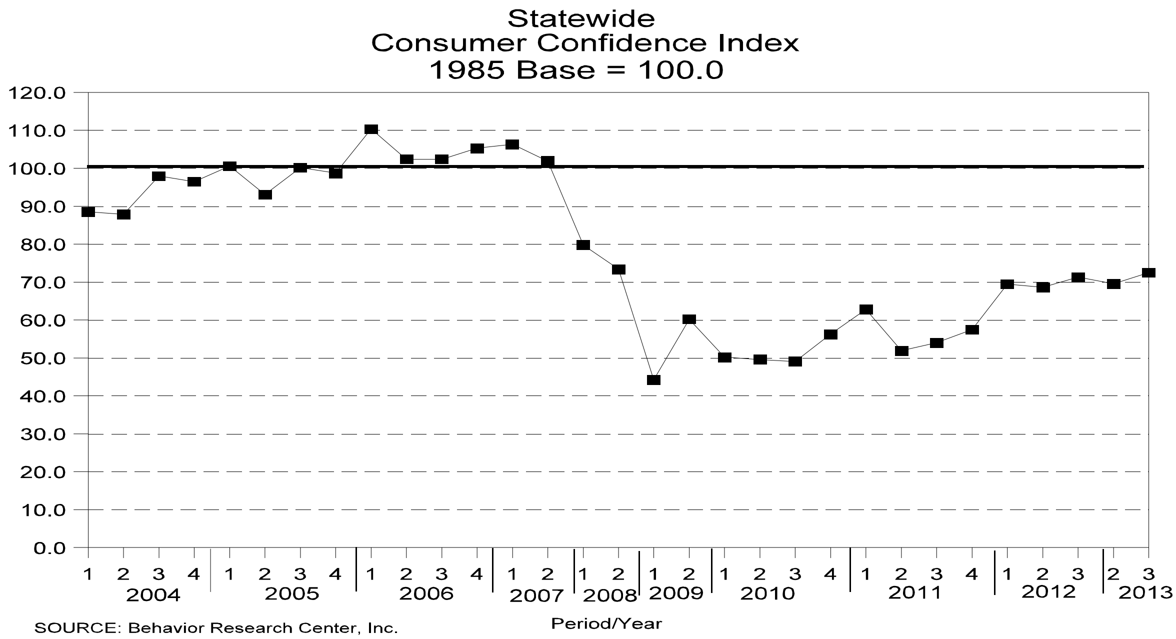

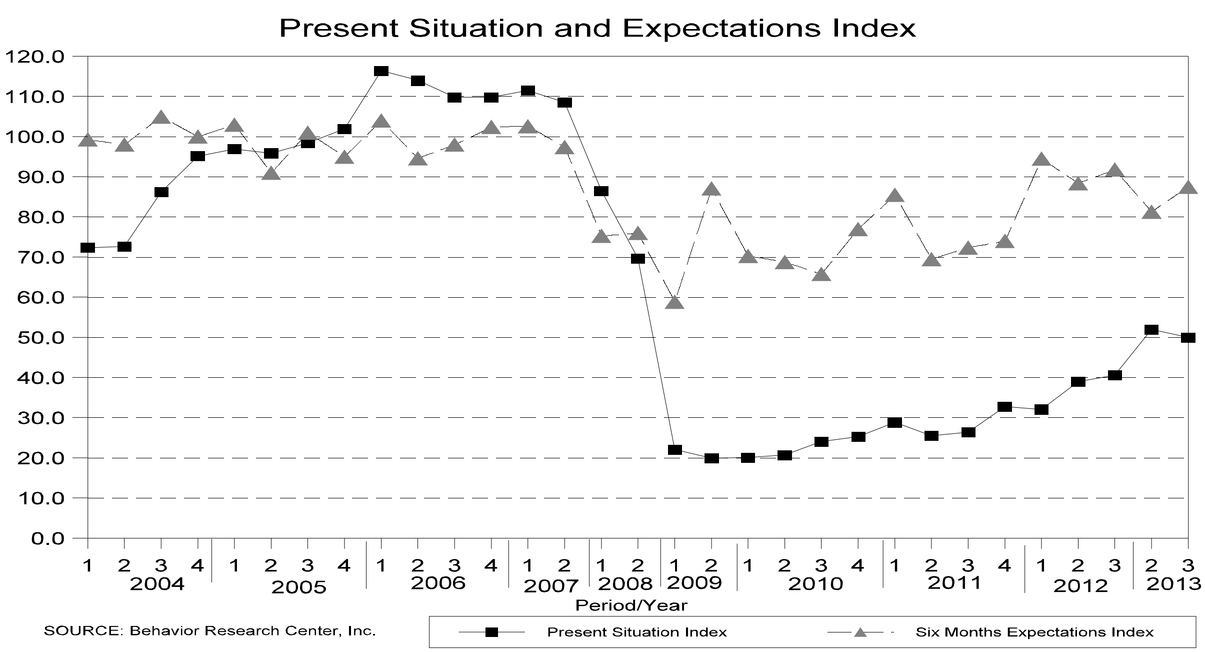

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	2013		2012			2011				2010	
	Jul	Apr	Oct	Apr	Jan	Oct	Jul	Apr	Jan	Oct	Jul
Consumer Confidence Index											
Statewide	72.5	69.6	71.3	68.6	69.5	57.5	54.0	51.9	62.8	56.3	49.1
Maricopa	80.5	72.5	78.5	75.0	73.5	63.5	60.9	56.4	63.5	55.7	52.8
Pima	73.7	65.7	58.0	66.7	70.8	48.7	40.3	50.3	74.0	54.1	41.6
Rural	54.9	47.6	63.0	55.3	58.1	45.9	44.7	41.8	54.6	59.1	43.5
Index Detail (Statewide):											
Present Situation Index	50.0	52.0	40.6	39.0	32.0	32.8	26.4	25.5	28.8	25.3	24.1
Expectation Index (Next 6 Months)	87.5	81.3	91.8	88.4	94.5	74.0	72.4	69.5	85.5	77.0	65.8
Appraisal of Present Situation: Percent Holding Attitude											
Business Conditions:											
Good	33%	29%	20%	26%	22%	21%	21%	24%	22%	21%	19%
Normal	39	43	44	40	42	39	32	37	35	31	34
Bad	23	24	31	29	33	37	43	35	38	43	43
Not sure	5	4	5	5	3	3	4	4	5	5	4
Employment:											
Jobs plentiful	10%	13%	12%	8%	6%	9%	6%	2%	5%	5%	5%
Not so many	34	35	30	33	33	28	25	31	31	26	26
Jobs hard to get	47	43	48	53	56	56	63	59	55	62	63
Not sure	9	9	10	6	5	7	6	8	9	7	6
Expectations For Six Month Hence: Percent Holding Attitude											
Business Conditions:											
Better	29%	29%	28%	32%	36%	28%	25%	29%	32%	27%	25%
Same	52	45	42	47	48	47	47	49	48	44	48
Worse	13	19	12	14	11	20	20	18	16	17	22
Not sure	6	7	18	7	5	5	8	4	4	12	5
Employment:											
More jobs	28%	27%	29%	30%	27%	24%	23%	25%	29%	25%	22%
Same	41	40	37	42	51	40	39	39	47	42	43
Fewer jobs	22	25	15	19	16	29	31	29	18	22	29
Not sure	9	8	19	9	6	7	7	7	6	11	6
Family Income:											
Higher	22%	22%	22%	19%	23%	22%	21%	12%	19%	16%	15%
Same	67	67	65	69	68	63	67	73	67	69	70
Lower	8	8	9	9	8	11	10	13	11	11	13
Not sure	3	3	4	3	1	4	2	2	3	4	2

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Rating Of *Current* General Business Conditions

	Maricopa	Pima	Rural
Good	37%	32%	24%
Normal	39	40	38
Bad	18	27	32
Don't know	6	1	6
	100%	100%	100%

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Rating Of *Current* Job Availability

	Maricopa	Pima	Rural
Plenty	11%	11%	8%
Not so many	35	32	31
Hard to get	41	53	58
Don't know	13	4	3
	100%	100%	100%

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Rating Of General Business Conditions *Six Months Hence*

	Maricopa	Pima	Rural
Better	32%	27%	21%
About the same	49	55	58
Worse	11	14	16
Don't know	8	4	5
	100%	100%	100%

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Rating Of Job Availability *Six Months Hence*

	Maricopa	Pima	Rural
More	32%	34%	17%
About the same	41	47	36
Fewer	16	16	40
Don't know	11	3	7
	100%	100%	100%

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Rating Of Family Income *Six Months Hence*

	Maricopa	Pima	Rural
Higher	23%	25%	19%
About the same	66	66	71
Lower	8	9	8
Don't know	3	*	2
	100%	100%	100%

*Indicates % less than .5

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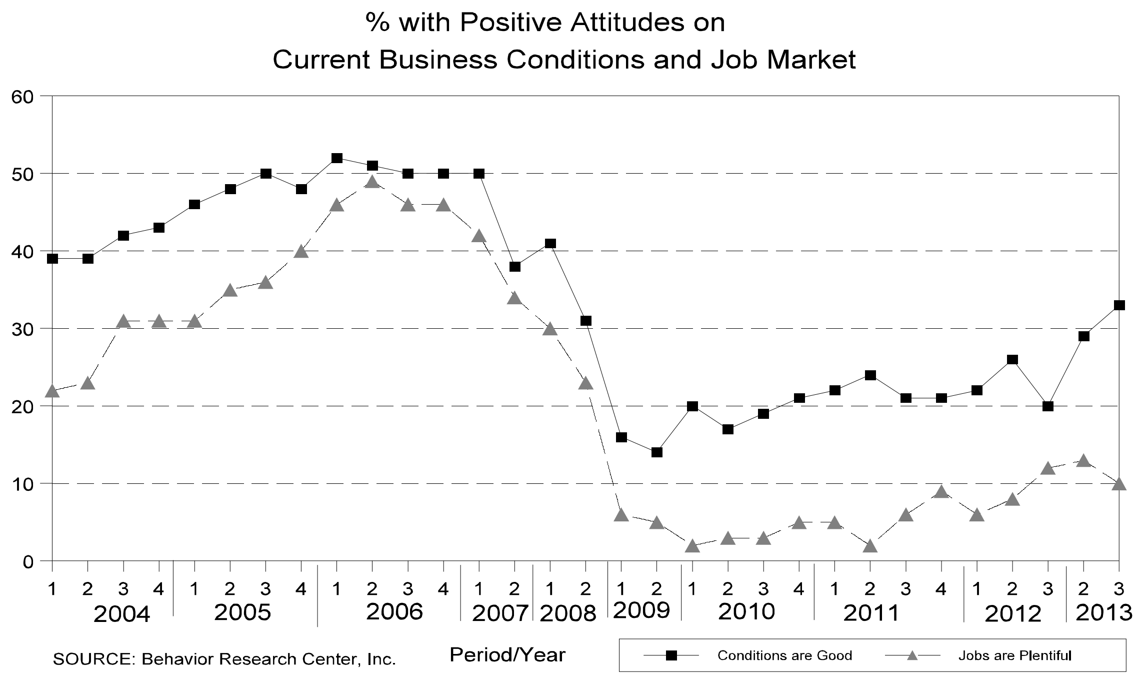

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"During the next six months, will you definitely, probably or probably not be making purchases of any of the following items?"

	% Definitely or Probably Planning Purchase				
	2013	2011		2010	
	Jul	Jan	Oct	Jul	Apr
New electronic entertainment or computer equipment over 500 dollars	26.5%	21.3%	19.4%	16.5%	15.2%
New household furniture	24.5	17.5	16.9	13.9	13.8
Major remodeling or repairing of any part of your house	24.2	13.2	17.3	14.2	15.0
A new automobile or truck	17.7	12.5	11.8	10.7	10.2
Major kitchen appliances of any kind	13.7	9.7	14.2	7.3	8.5

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	Definitely	Probably	Total
New electronic entertainment or computer equipment over 500 dollars	9.7%	16.8%	26.5%
New household furniture	8.5	16.0	24.5
Major remodeling or repairing of any part of your house	9.6	14.6	24.2
A new automobile or truck	8.1	9.6	17.7
Major kitchen appliances of any kind	5.6	8.1	13.7

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	Planned Purchasing Summary July 2013			
	Total	Under 35	35 to 54	55 or Over
Definitely	24%	35%	22%	15%
Probably	31	33	34	28
Any Purchase	55	68	56	43

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