behavior research center's

Rocky Mountain Poll

NEWS RELEASE [RMP 2015-I-01]

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ARIZONA CONSUMER CONFIDENCE GAINS STEAM: BEST READING SINCE JANUARY OF 2008

Phoenix, Arizona, February 4, 2015. The Consumer Confidence Index (CCI) in Arizona has bounced back to its highest level (79.1) since January of 2008 when it registered 79.8. The improvement is welcome, but readers should note that the 2008 reading itself was the first indicator that the bottom was dropping out of consumer confidence for it had been at 101.9 only six months prior in July of 2007 and higher still in the years before that. After January of 2008, the Index fell steadily, declining to a low of 44.2 in the in January of 2009 and then languishing in the 50s until January of 2011 when it began to rise in starts and stops throughout 2012, 13 and 14. In 2014 it twice registered in the mid 70s but only now is approaching the 80.0 level.

In this most recent study, we are happy to report that two critical aspects of the CCI are rising simultaneously, which is something we have not frequently seen in recent years. Thus, positive consumer assessment of current economic conditions rose a full 13.2 points between mid-summer 2014 and today. Also rising was the Index of Consumer Expectations about the economy as they look forward six months. The Expectations Index rose to 87.1 from 83.5, 3.6 points. While not as robust as hoped for, it is moving in the right direction and is fully six points higher than January of 2014.

Consumers are more positive about current business conditions that at any time since January of 2008 with 34 percent rating current business conditions as "Good" and only 16 percent assessing them as "Bad". At the same time, while their overall view of the job market remains pessimistic, it is none the less improved . Nineteen percent say jobs are plentiful these days compared to only 13 percent of that opinion in July of 2014. On the other hand, 65 still describe the job market unfavorably with 24 percent saying there are "not many jobs available" and another 41 percent even more pessimistically saying jobs are "hard to get" today.

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One very positive aspect of the recent survey is that consumer confidence has risen in all regions of the state and with major gains showing in Maricopa county and Pima country, but with good improvement in the rural counties as well.

Views about what will happen in the economy in the coming six months are always key factors in whether consumers will open their pocket books any wider in 2015. But even with a new Congress and consumers forecasting continuing improvement in the business world, they are not very enthusiastic about the job market or about prospects that their family income will benefit from an improving business climate. Thus only 30 percent expect to see more job growth between now and June and only 22 percent expect to see family income rise.

Such guarded views among consumers implies that they will be conservative in their spending on major durable consumer goods in the coming six months. Our questioning on that subject reveals that this may prove to be at least partially true. For example, while 49 percent of consumer households plan on making purchases in one or more of the five durable goods categories tested, forecasted purchasing in each of the categories is marginally lower than in July 2013 when we last asked this question. The strongest performance is likely to be in the home electronic entertainment and computer equipment were nearly a quarter (23%) of households are planning purchases of $500 dollars or more. We also register fairly robust is planned purchasing in the categories of new household furniture and in the core category of new family autos or trucks where 17 to 18 percent are planning purchases. Lower levels of buying can be expected for home remodeling and major kitchen appliances.

As we have seen in the past however, as long as consumers feel cautious about the job market and family income here in Arizona, they are more likely that not to hedge their bets when it comes to taking on new debt via purchasing major consumer durable goods. If continuing improvement in the US economy and the jobs market continues to be reported in the media, consumer could accelerate their purchase plans. Many will be looking at how well the new Congress is able to develop programs to stimulate the economy.

Commenting on the January 2015 findings, Dr. Dennis Hoffman of the L. William Seidman Research Institute at the W.P. Carey School of Business noted the following: "*Consumer attitudes have been buoyed by a slowly improving job market and modest wage gains. The improving labor market, coupled with low inflation and plunging gas prices, free up dollars for spending on any number of items. Nationally, confidence has surged to pre-recession levels. While Arizona's numbers remain below levels reached before the great recession, it is clear that the consumer is*

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finally beginning to feel better and hopefully that optimism will build. If gasoline prices remain at low levels thought the spring, it is likely that the numbers will improve, and the improvement in consumer confidence in the state will be welcomed by retailers as the year progresses. " (Dr Hoffman may be contacted at 480-965-5362)

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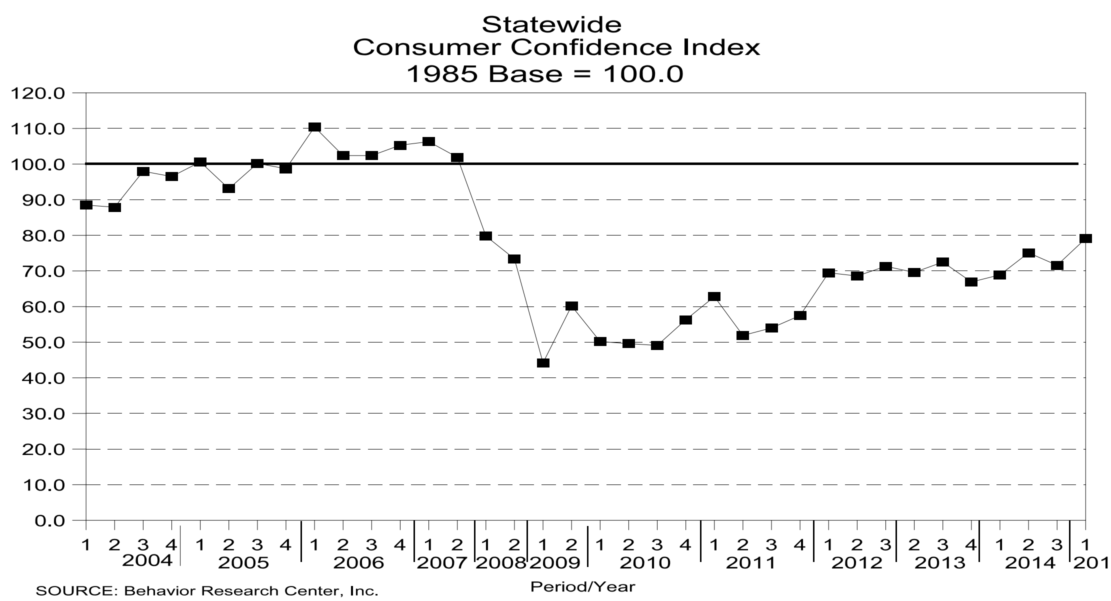
EDITOR'S NOTE: This Rocky Mountain Poll - Arizona (2015-I-01), is based on 701 interviews with adult heads of household statewide, conducted between January 13 and 21, 2015. Interviewing was conducted in English or Spanish by professional interviewers of the Behavior Research Center on both land lines 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.

Further Note on Behavior Research Center

In 2014, Nate Silver of the website fivethirtyeight.com rated BRC as one of the top 15 percent of political polling firms in the country for methodology and accuracy, giving BRC an "A-" rating. Mr. Silver and his website have correctly predicted national and state election outcomes in recent election outcomes in recent election cycles by aggregating polling results from multiple research firms.

ENCLOSED: Statistical tables.



STATISTICAL DATA

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	2015	2014			2013			2012			2011
	Jan	Jul	Apr	Jan	Oct	Jul	Apr	Oct	Apr	Jan	Oct
Consumer Confidence Index											
Statewide	79.1	71.6	75.1	68.9	66.9	72.5	69.6	71.3	68.6	69.5	57.5
Maricopa	83.8	78.1	86.1	72.7	69.6	80.5	72.5	78.5	75.0	73.5	63.5
Pima	78.8	70.0	72.7	58.0	62.9	73.7	65.7	58.0	66.7	70.8	48.7
Rural	65.5	54.4	49.7	65.5	60.0	54.9	47.6	63.0	55.3	58.1	45.9
Index Detail (Statewide):											
Present Situation Index	67.1	53.9	56.5	50.3	51.3	50.0	52.0	40.6	39.0	32.0	32.8
Expectation Index (Next 6 Months)	87.1	83.5	87.6	80.9	77.2	87.5	81.3	91.8	88.4	94.5	74.0
Appraisal of Present Situation: Percent Holding Attitude											
Business Conditions:											
Good	34%	30%	33%	29%	28%	33%	29%	20%	26%	22%	21%
Normal	45	43	45	46	44	39	43	44	40	42	39
Bad	16	21	19	21	22	23	24	31	29	33	37
Not sure	5	6	3	4	6	5	4	5	5	3	3
Employment:											
Jobs plentiful	19%	13%	14%	12%	13%	10%	13%	12%	8%	6%	9%
Not so many	24	30	32	25	30	34	35	30	33	33	28
Jobs hard to get	41	46	45	51	47	47	43	48	53	56	56
Not sure	16	11	9	12	10	9	9	10	6	5	7
Expectations For Six Month Hence: Percent Holding Attitude											
Business Conditions:											
Better	31%	20%	26%	29%	26%	29%	29%	28%	32%	36%	28%
Same	49	58	54	46	46	52	45	42	47	48	47
Worse	13	15	13	19	19	13	19	12	14	11	20
Not sure	7	7	7	6	9	6	7	18	7	5	5
Employment:											
More jobs	30%	28%	28%	23%	24%	28%	27%	29%	30%	27%	24%
Same	38	36	44	47	43	41	40	37	42	51	40
Fewer jobs	22	24	20	21	23	22	25	15	19	16	29
Not sure	10	12	8	9	10	9	8	19	9	6	7
Family Income:											
Higher	22%	26%	26%	25%	25%	22%	22%	22%	19%	23%	22%
Same	66	65	63	64	60	67	67	65	69	68	63
Lower	9	7	9	10	12	8	8	9	9	8	11
Not sure	3	2	2	1	3	3	3	4	3	1	4

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Rating Of *Current* General Business Conditions

	Maricopa	Pima	Rural
Good	38%	24%	32%
Normal	45	46	43
Bad	11	20	24
Don't know	6	10	1
	100%	100%	100%

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Rating Of *Current* Job Availability

	Maricopa	Pima	Rural
Plenty	23%	18%	9%
Not so many	22	31	24
Hard to get	38	34	53
Don't know	17	17	14
	100%	100%	100%

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Rating Of General Business Conditions *Six Months Hence*

	Maricopa	Pima	Rural
Better	32%	25%	33%
About the same	49	52	45
Worse	13	12	14
Don't know	6	11	8
	100%	100%	100%

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Rating Of Job Availability *Six Months Hence*

	Maricopa	Pima	Rural
More	32%	24%	28%
About the same	38	49	30
Fewer	21	16	31
Don't know	9	11	11
	100%	100%	100%

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Rating Of Family Income *Six Months Hence*

	Maricopa	Pima	Rural
Higher	25%	25%	12%
About the same	62	65	77
Lower	10	7	8
Don't know	3	3	3
	100%	100%	100%

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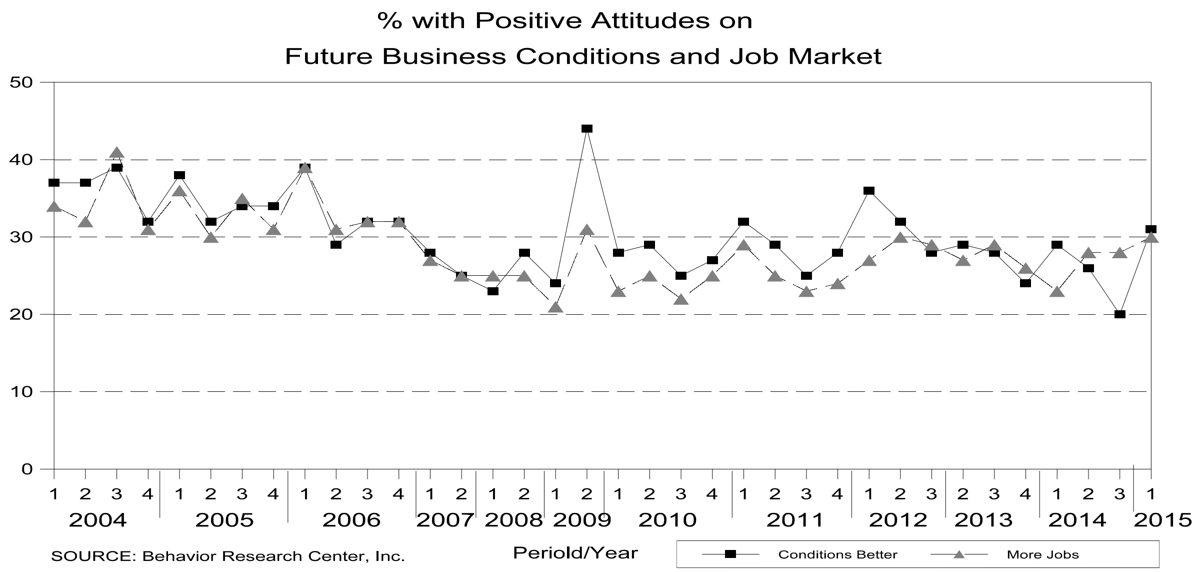

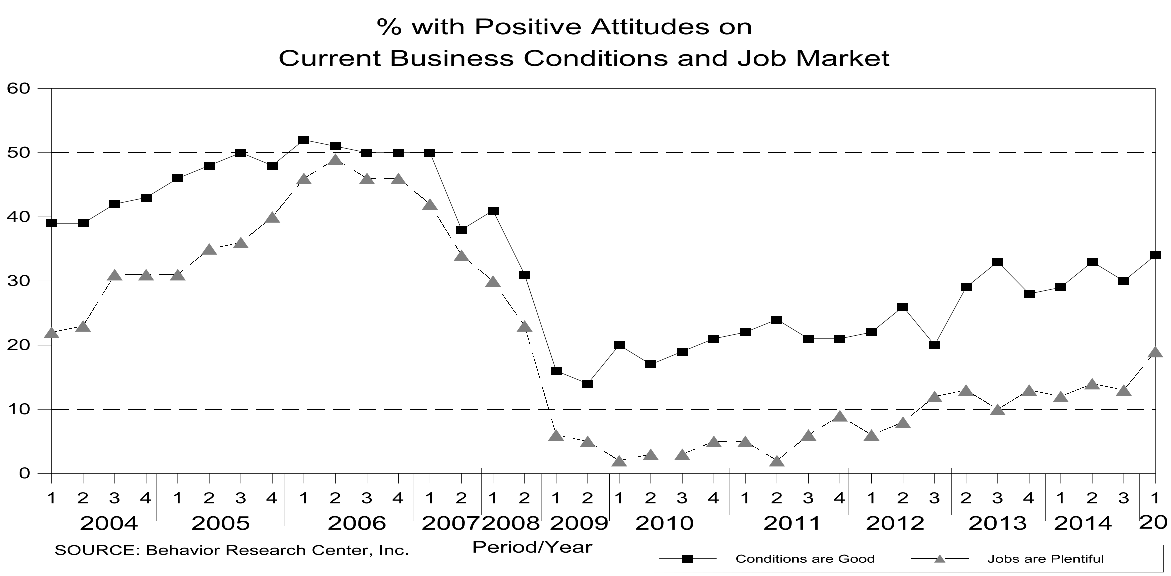

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"During the next six months, will you definitely, probably or probably not be making purchases of any of the following items?"

	% Definitely or Probably Planning Purchase					
	2015	2013	2011		2010	
	Jan	Jul	Jan	Oct	Jul	Apr
New electronic entertainment or computer equipment over 500 dollars	22.8%	26.5%	21.3%	19.4%	16.5%	15.2%
New household furniture	18.1	24.5	17.5	16.9	13.9	13.8
A new automobile or truck	17.2	17.7	12.5	11.8	10.7	10.2
Major remodeling or repairing of any part of your house	16.6	24.2	13.2	17.3	14.2	15.0
Major kitchen appliances of any kind	12.7	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	7.2%	15.6%	22.8%
New household furniture	5.1	13.0	18.1
A new automobile or truck	3.4	13.8	17.2
Major remodeling or repairing of any part of your house	5.8	10.8	16.6
Major kitchen appliances of any kind	3.7	9.0	12.7

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	Planned Purchasing Summary Jan 2015			
	Total	Under 35	35 to 54	55 or Over
Definitely	19%	22%	19%	14%
Probably	30	36	27	26
Any Purchase	49	58	46	40
(Any Purchase 7/13)	(55%)	(68%)	(56%)	(43%)

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