

behavior research center's  
**Rocky Mountain Poll**

NEWS RELEASE [RMP 2016-IV-02]

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**More Good News: Arizona Consumer Confidence  
Surges for 2<sup>nd</sup> Consecutive Quarter**

Phoenix, Arizona, October 24<sup>th</sup>, 2016. Arizonans' confidence in the state economy continues to rise, currently at 91.7, its highest level since 2007 which is fully 10.5 points higher than this time last year and 10.1 points higher than at the outset of 2016.

As may be recalled, confidence in the economy began to nose-dive in the Spring of 2007 and then fell to an historic low of 44.2 in January of 2009. Since then (see table on page 3) consumer confidence has been seesawing upward with frustrating slowness, but in the most recent two quarters has moved more clearly into positive territory.

This may be a fresh signal that the long-awaited sigh of relief from consumers is finally at hand. If this upward spike in consumer confidence continues for a third quarter (barring any external factors) it may be reasonable to conclude that in Arizona, consumers consider economic recovery under way.

The recent history of the Consumer Confidence Index is as follows: The Index currently stands at 91.7 compared to 88.4 in June and only 81.2 one year ago October. At the outset of 2014, the Index stood at a paltry 68.9. The Index is being pushed upward by robust growth in positive consumer opinion in Maricopa county, the state's largest economic engine. In Maricopa, the Index rests at 98.7 compared to 92.8 in June and only 90.1 at the outset of the year. Currently, the Index in Maricopa county is fully 10.2 points higher than one year ago October.

Confidence in the economy is somewhat softer in Pima and the rural counties compared to last quarter, but the year-to-year trends are also upward. For example, in Pima county, the Index is currently at 86.5 compared to 72.3 last October and in the rural counties, the Index of Confidence registers 75.8 compared to 68.2 a year ago October.

These upward changes in the Index trace to several shifts in consumer opinion, of which the following seem most critical:

- First is a decline in the proportion of consumers who characterize the market as one in which jobs are "hard to find" -- now at 26 percent compared to 36 percent at the outset of the year. Similarly, as consumers look ahead into the coming six months, the proportion who believe there will be fewer job opportunities has dropped to 14 percent from 23 percent in January of this year.

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- Consumers also have an optimistic view of business conditions in Arizona, with 83 percent saying current business conditions are normal or improved and 75 percent of the opinion that this will continue for at least the next six months.
- Finally, two-thirds are of the view that the job market will be stable or grow in the coming six months and nine of ten believe family income levels will remain stable or improve in the coming six months.

The overall impact of these attitudinal views has been to lift the Assessment of Current Conditions Index to 88.2 compared to 79.2 in January. Equally important, expectations about the economy for the coming six months rose to a favorable level of 94.1 from 83.2 in January. Other findings are that 75 percent expect business conditions will be steady or improved in the next six months and nearly 90 percent are of the opinion that family income will remain stable or experience improvement in the coming six months.

Commenting on the findings, Behavior Research Center’s Research Director Earl de Berge noted that “this is the first time in far too many quarters that the Consumer Confidence Index shows steady positive movement. Coming as we enter the Fall retail cycle, this result could mean more holiday and year-end spending which could even carry over into the new year -- assuming of course, that we do not experience another setback, as has happened in the past. We are encouraged, however, that the Index numbers are as positive as we have seen in some time.”

Reflecting on the latest results, Dr. Dennis Hoffman of the L. William Seidman Research Institute at the W.P. Carey School of Business at Arizona State University noted that “The latest Rocky Mountain Poll numbers suggest confidence levels not seen since prior to the onset of the Great Recession. Labor markets continue to tighten and prospects for job stability and even modest wage growth are improving. This all adds up to an optimistic consumer as we head into the holiday season. Time will tell whether this optimism will translate into more local purchases or whether consumers will continue to migrate to more online options,” he added. “Recent evidence suggests that many consumers spent their gasoline price savings in these more nontraditional online alternatives. But overall this is good news for the Arizona economy following one of the longest pessimistic periods in most of our lifetimes.” Dr. Hoffman may be reached at 480-965-5362.

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**EDITOR’S NOTE:** This Rocky Mountain Poll - Arizona (2016-IV-02), is based on 700 interviews with adult heads of household statewide, conducted October 3 to 9, 2016. 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.

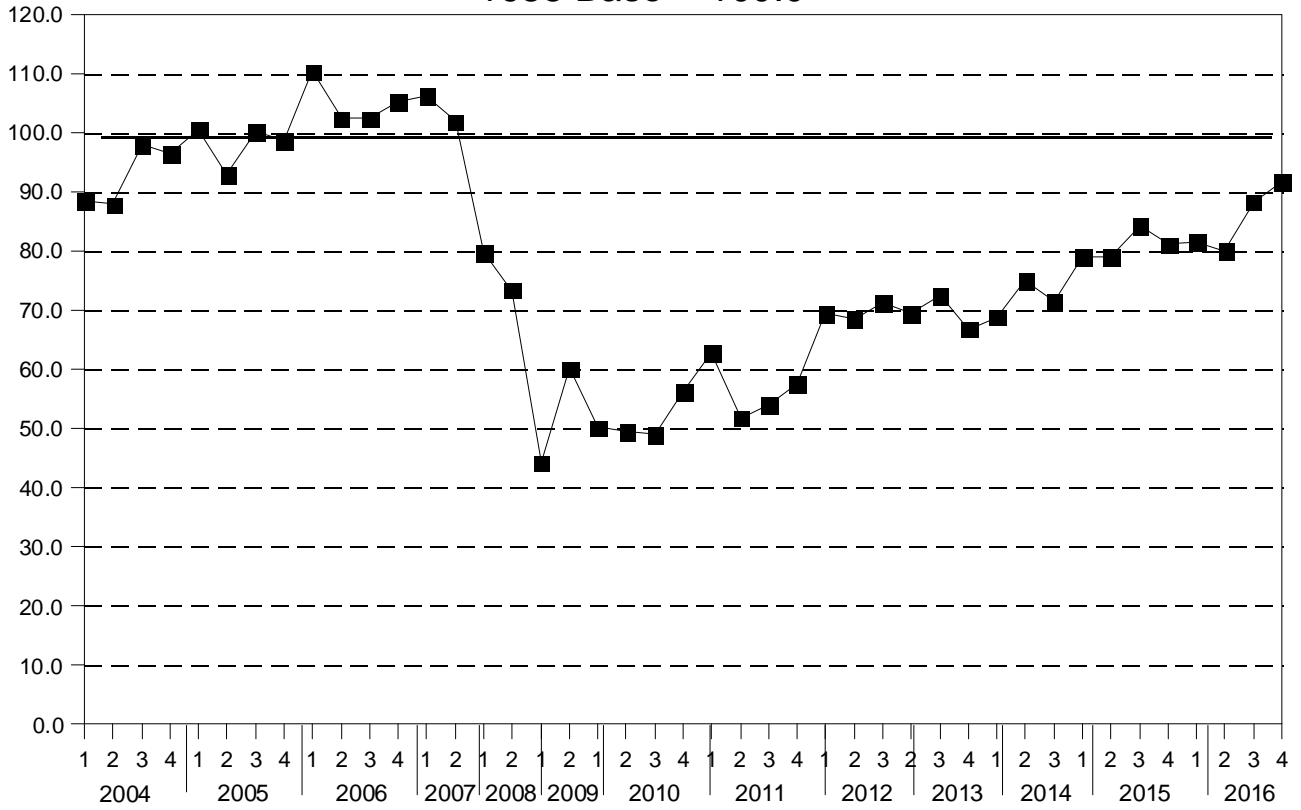
This statement conforms to the principles of disclosure of the National Council on Public Polls.

**Further Note on Behavior Research Center**  
 Nate Silver of the website [fivethirtyeight.com](http://fivethirtyeight.com) rated BRC as one of the top 15 percent of political polling firms in the nation 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 cycles by aggregating polling results from multiple research firms.

For this and other polls, see [www.brcpolls.com/results](http://www.brcpolls.com/results).

ENCLOSED: Statistical Tables

### Statewide Consumer Confidence Index 1985 Base = 100.0



SOURCE: Behavior Research Center, Inc.

Period/Year

STATISTICAL DATA

Behavior Research Center

Rocky Mountain Poll - Arizona

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|  | 2016 |      |      |      | 2015 |      |      |      | 2014 |      |      |
|--|------|------|------|------|------|------|------|------|------|------|------|
|  | Oct  | Jun  | Apr  | Jan  | Oct  | Jul  | Apr  | Jan  | Jul  | Apr  | Jan  |
| <b>Consumer Confidence</b>   |      |      |      |      |      |      |      |      |      |      |      |
| <u>Index</u>   |      |      |      |      |      |      |      |      |      |      |      |
| Statewide  | 91.7 | 88.4 | 80.0 | 81.6 | 81.2 | 84.3 | 79.1 | 79.1 | 71.6 | 75.1 | 68.9 |
| Maricopa   | 98.7 | 92.8 | 85.1 | 90.8 | 88.5 | 93.9 | 86.3 | 83.8 | 78.1 | 86.1 | 72.7 |
| Pima   | 86.5 | 89.4 | 75.8 | 77.0 | 72.3 | 65.1 | 69.9 | 78.8 | 70.0 | 72.7 | 58.0 |
| Rural  | 75.8 | 78.3 | 69.3 | 61.0 | 68.2 | 70.1 | 67.9 | 65.5 | 54.4 | 49.7 | 65.5 |
| <u>Index Detail (Statewide):</u>                                       |      |      |      |      |      |      |      |      |      |      |      |
| Present Situation Index  | 88.2 | 80.2 | 75.6 | 79.1 | 74.3 | 69.7 | 68.0 | 67.1 | 53.9 | 56.5 | 50.3 |
| Expectation Index<br>(Next 6 Months)                                   | 94.1 | 93.3 | 83.0 | 83.2 | 85.8 | 94.1 | 86.5 | 87.1 | 83.5 | 87.6 | 80.9 |
| <i>Appraisal of Present Situation:<br/>Percent Holding Attitude</i>    |      |      |      |      |      |      |      |      |      |      |      |
| <u>Business Conditions:</u>  |      |      |      |      |      |      |      |      |      |      |      |
| Good   | 34   | 30%  | 34%  | 39%  | 34%  | 33%  | 32%  | 34%  | 30%  | 33%  | 29%  |
| Normal   | 49   | 53   | 48   | 43   | 47   | 45   | 48   | 45   | 43   | 45   | 46   |
| Bad  | 11   | 13   | 14   | 12   | 15   | 16   | 17   | 16   | 21   | 19   | 21   |
| Not sure   | 6    | 4    | 4    | 6    | 4    | 6    | 3    | 5    | 6    | 3    | 4    |
| <u>Employment:</u>   |      |      |      |      |      |      |      |      |      |      |      |
| Jobs plentiful   | 28%  | 27%  | 19%  | 24%  | 23%  | 20%  | 19%  | 19%  | 13%  | 14%  | 12%  |
| Not so many  | 33   | 28   | 36   | 23   | 26   | 32   | 34   | 24   | 30   | 32   | 25   |
| Jobs hard to get   | 26   | 31   | 28   | 36   | 36   | 37   | 37   | 41   | 46   | 45   | 51   |
| Not sure   | 13   | 14   | 17   | 17   | 15   | 11   | 10   | 16   | 11   | 9    | 12   |
| <i>Expectations For Six Months Hence:<br/>Percent Holding Attitude</i> |      |      |      |      |      |      |      |      |      |      |      |
| <u>Business Conditions:</u>  |      |      |      |      |      |      |      |      |      |      |      |
| Better   | 28%  | 24%  | 19%  | 27%  | 21%  | 27%  | 25%  | 31%  | 20%  | 26%  | 29%  |
| Same   | 47   | 58   | 59   | 53   | 61   | 57   | 54   | 49   | 58   | 54   | 46   |
| Worse  | 9    | 9    | 13   | 12   | 12   | 7    | 14   | 13   | 15   | 13   | 19   |
| Not sure   | 16   | 9    | 9    | 8    | 6    | 9    | 7    | 7    | 7    | 7    | 6    |
| <u>Employment:</u>   |      |      |      |      |      |      |      |      |      |      |      |
| More jobs  | 22%  | 26%  | 20%  | 20%  | 26%  | 22%  | 26%  | 30%  | 28%  | 28%  | 23%  |
| Same   | 45   | 48   | 52   | 45   | 45   | 51   | 43   | 38   | 36   | 44   | 47   |
| Fewer  | 14   | 14   | 14   | 23   | 19   | 15   | 20   | 22   | 24   | 20   | 21   |
| Not sure   | 19   | 12   | 14   | 12   | 10   | 12   | 11   | 10   | 12   | 8    | 9    |
| <u>Family Income:</u>  |      |      |      |      |      |      |      |      |      |      |      |
| Higher   | 23%  | 22%  | 20%  | 22%  | 22%  | 26%  | 19%  | 22%  | 26%  | 26%  | 25%  |
| Same   | 67   | 69   | 69   | 69   | 69   | 65   | 73   | 66   | 65   | 63   | 64   |
| Lower  | 7    | 7    | 8    | 6    | 7    | 7    | 6    | 9    | 7    | 9    | 10   |
| Not sure   | 3    | 2    | 3    | 3    | 2    | 2    | 2    | 3    | 2    | 2    | 1    |

STATISTICAL DATA

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Rocky Mountain Poll - Arizona

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|            | Rating of<br><i>Current General<br/>Business Conditions</i> |          |          |
|------------|---|----------|----------|
|            | Maricopa  | Pima     | Rural    |
| Good       | 40%   | 24%      | 25%      |
| Normal     | 45  | 50       | 58       |
| Bad        | 9   | 17       | 14       |
| Don't know | <u>6</u>  | <u>9</u> | <u>3</u> |
|            | 100%  | 100%     | 100%     |

|             | Rating of<br><i>Current Job<br/>Availability</i> |           |          |
|-------------|--|-----------|----------|
|             | Maricopa   | Pima      | Rural    |
| Plenty      | 34%  | 16%       | 23%      |
| Not so many | 30   | 39        | 34       |
| Hard to get | 22   | 28        | 35       |
| Don't know  | <u>14</u>  | <u>17</u> | <u>8</u> |
|             | 100%   | 100%      | 100%     |

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|                | Rating of<br><i>General Business Conditions<br/>Six Months Hence</i> |           |           |
|----------------|--|-----------|-----------|
|                | Maricopa   | Pima      | Rural     |
| Better         | 32%  | 20%       | 22%       |
| About the same | 45   | 51        | 49        |
| Worse          | 9  | 9         | 11        |
| Don't know     | <u>14</u>  | <u>20</u> | <u>18</u> |
|                | 100%   | 100%      | 100%      |

|                | Rating of<br><i>Job Availability<br/>Six Months Hence</i> |           |           |
|----------------|---|-----------|-----------|
|                | Maricopa  | Pima      | Rural     |
| More           | 25%   | 21%       | 16%       |
| About the same | 40  | 50        | 50        |
| Fewer          | 15  | 8         | 17        |
| Don't know     | <u>20</u>   | <u>21</u> | <u>17</u> |
|                | 100%  | 100%      | 100%      |

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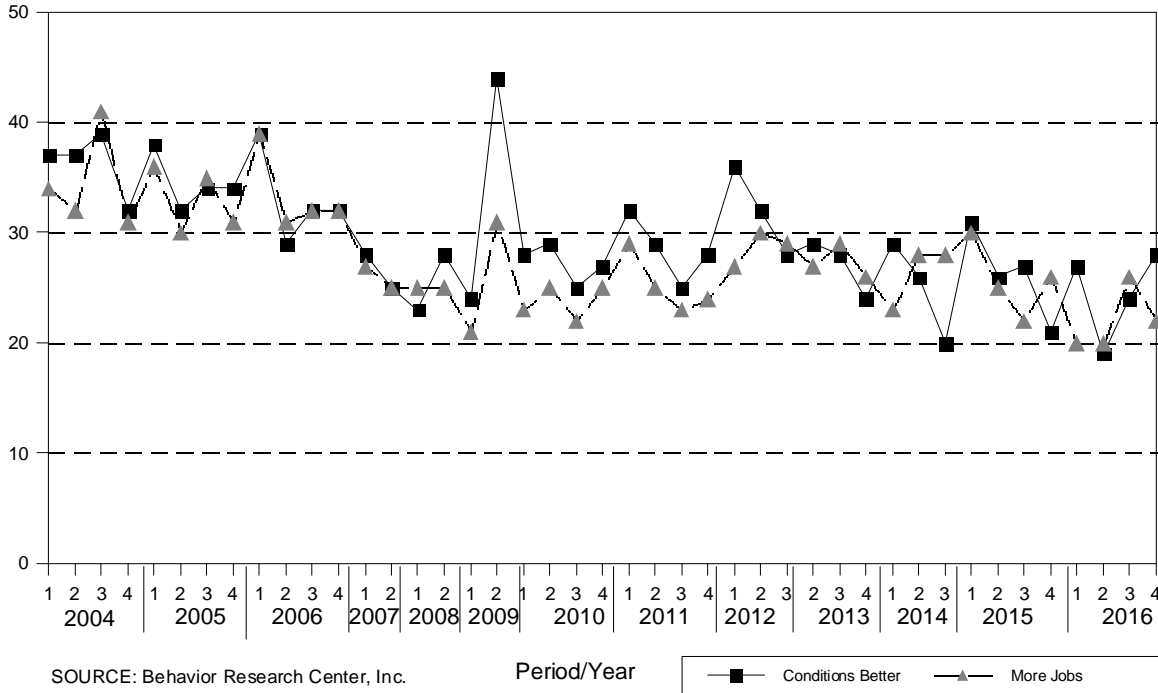
|                | Rating of<br><i>Family Income<br/>Six Months Hence</i> |          |          |
|----------------|--|----------|----------|
|                | Maricopa   | Pima     | Rural    |
| Higher         | 24%  | 21%      | 23%      |
| About the same | 68   | 74       | 60       |
| Lower          | 5  | 1        | 13       |
| Don't know     | <u>3</u>   | <u>4</u> | <u>4</u> |
|                | 100%   | 100%     | 100%     |

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% with Positive Attitudes on  
Future Business Conditions and Job Market



% with Positive Attitudes on  
Current Business Conditions and Job Market

