

Chapman University

Chapman University Digital Commons

Anderson Center Press Releases

A. Gary Anderson Center for Economic
Research

12-14-2011

California Consumer Sentiment Slides

Anderson Center for Economic Research

Follow this and additional works at: [https://digitalcommons.chapman.edu/
anderson_center_press_releases](https://digitalcommons.chapman.edu/anderson_center_press_releases)

Recommended Citation

Anderson Center for Economic Research, "California Consumer Sentiment Slides" (2011). *Anderson Center Press Releases*. 9.
https://digitalcommons.chapman.edu/anderson_center_press_releases/9

This Press Release is brought to you for free and open access by the A. Gary Anderson Center for Economic Research at Chapman University Digital Commons. It has been accepted for inclusion in Anderson Center Press Releases by an authorized administrator of Chapman University Digital Commons. For more information, please contact laughtin@chapman.edu.

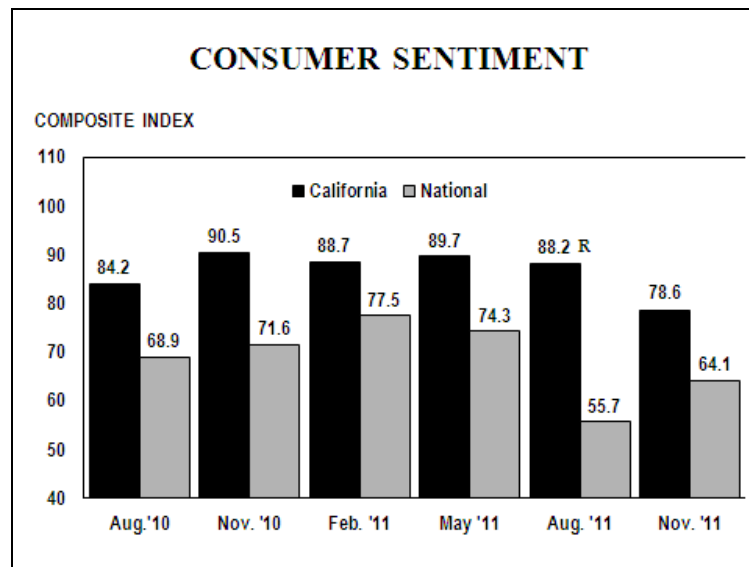
**A. GARY ANDERSON CENTER FOR ECONOMIC RESEARCH****For Release:**

Wednesday, December 14, 2011

Contact:Esmael Adibi,
Director of the Anderson Center for Economic Research
(714) 997-6693

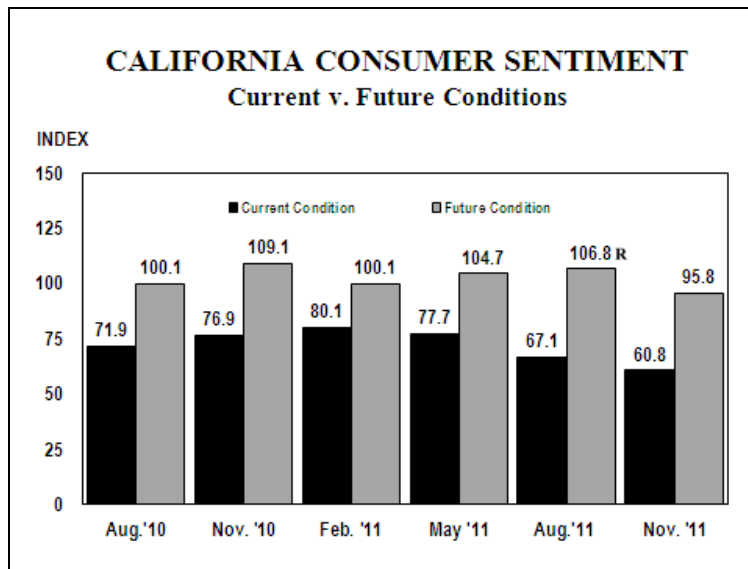
California Consumer Sentiment Slides

ORANGE, CA — The California Composite Index of Consumer Confidence declined by about 10 points to 78.6 in the fourth quarter of 2011 compared to the third quarter revised reading of 88.2. An index level below 100 reflects a higher percentage of pessimistic consumers versus those who are optimistic. Hence, this decline suggests that consumers' pessimism grew over the last three months. In contrast, the survey of consumer confidence at the national level conducted by the University of Michigan showed a reading of 64.1 in the month of November increasing from the August reading of 55.7.

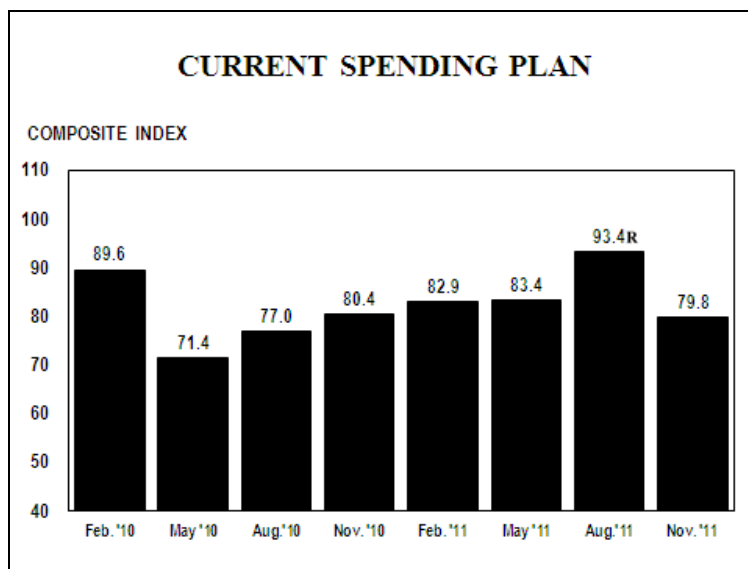


The California Composite Index is generated based on three indices: consumers' outlook on current and future economic conditions, and an index measuring consumers' spending plan. All three components of the composite index declined over the last three months.

Continued high unemployment rate in California, currently at 11.7 percent, and volatile stock market may be the main factors explaining why the consumer assessment of the **current** economic conditions has deteriorated so sharply. This index declined to a reading of 60.8 in November of 2011 from 67.1 in August of 2011. The index measuring **future** economic conditions also decreased to a reading of 95.8 in November from a reading of 106.8 in August of 2011. Slow pace of job creation and prospects of additional state budget cuts and potential higher taxes may have dampened consumers' confidence about future economic conditions.



Moreover, the index measuring consumers' planned spending on big-ticket items decreased significantly from the August reading of 93.4. The reading of 79.8 suggests consumers' spending in the early part of 2012 may decline sharply from the current strong pace reported by the retailers.



BACKGROUND AND METHODOLOGY:

Beginning in the third quarter of 2002, the Anderson Center for Economic Research at Chapman University launched a survey to measure California consumer sentiment. This survey is similar to the monthly national survey of consumer sentiment conducted by the University of Michigan.

A survey comprised of six questions is mailed to a stratified sample of 5,000 residences throughout the state, with a historical response rate of 5 to 10 percent. Three questions relate to the current economic conditions, two questions address future economic conditions (one year outlook) and one question evaluates the consumers' current plan for purchasing big ticket items.

The results are summarized into four indices. One index measures consumer sentiment about the current economic condition, a second measures consumers' future economic expectations, the third is a composite index representing overall consumer confidence, and the fourth index measures consumers' current spending plan on durable goods.

ABOUT THE ANDERSON CENTER FOR ECONOMIC RESEARCH

The A. Gary Anderson Center for Economic Research (ACER) was established in 1979 to provide data, facilities and support in order to encourage the faculty and students at Chapman University to engage in economic and business research of high quality, and to disseminate the results of this research to the community.

ANNUAL SCHEDULE OF CONFERENCES AND PRESS RELEASES

- | | |
|------------------|--|
| JANUARY | ‣ Economic Forecast Conferences for Los Angeles County and the Inland Empire
‣ California Purchasing Managers Survey |
| FEBRUARY | ‣ California Leading Employment Indicator |
| MARCH | ‣ California Consumer Sentiment Survey |
| APRIL | ‣ California Purchasing Managers Survey |
| MAY | ‣ California Leading Employment Indicator |
| JUNE | ‣ Economic Forecast Update Conference for the U.S., California, Orange and Los Angeles counties, and the Inland Empire
‣ California Consumer Sentiment Survey |
| JULY | ‣ California Purchasing Managers Survey |
| AUGUST | ‣ California Leading Employment Indicator |
| SEPTEMBER | ‣ California Consumer Sentiment Survey |
| OCTOBER | ‣ California Purchasing Managers Survey |
| NOVEMBER | ‣ California Leading Employment Indicator |
| DECEMBER | ‣ Economic Forecast Conference for the U.S., California and Orange County
‣ California Consumer Sentiment Survey |