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### California Consumers' Optimism Sags

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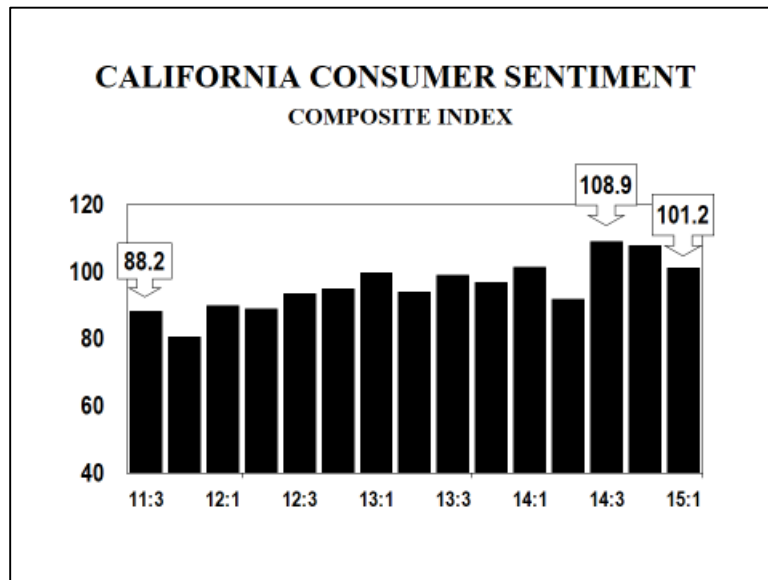
### A. Gary Anderson Center for Economic Research

**For Release:**  
March 5, 2015

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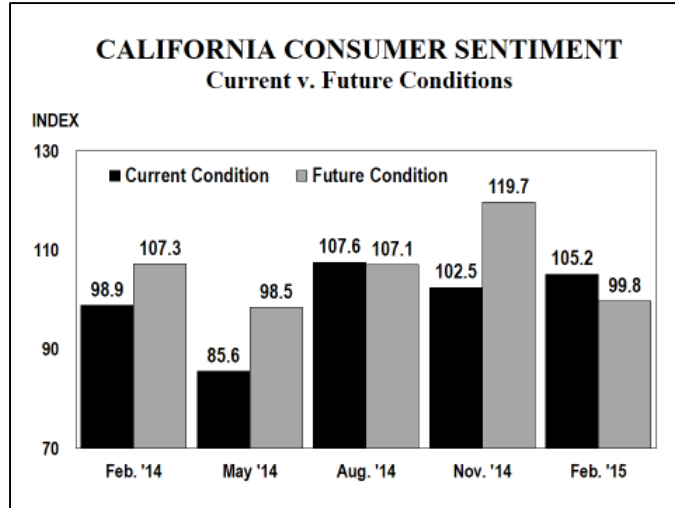
## California Consumers' Optimism Sags

ORANGE, CA —The preliminary California Composite Index of Consumer Sentiment decreased to 101.2 in the first quarter of 2015 compared to a revised reading of 107.8 in the fourth quarter of 2014. The index is about seven points lower than the third quarter of 2014 reading of 108.9, which was a ten-year high. An index level above 100, however, signifies a higher percentage of optimistic consumers versus those who are pessimistic. Over a comparable time period, the University of Michigan measurement of the U.S. consumer sentiment improved to a reading of 93.6 in February from a reading of 88.8 in November of 2014.

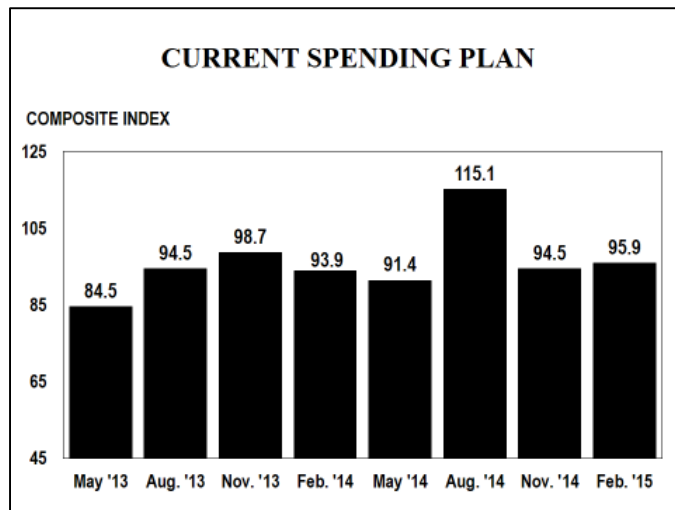


The California Composite Index is generated based on three indices: consumers' outlook on current and future economic conditions, and an index measuring consumers' spending plan.

The **current** economic conditions index is at 105.2 in February of 2015, a slight increase from a revised reading of 102.5 in November of 2014. Steady job growth and lower gasoline prices are, in all likelihood, supporting consumers' positive attitude about current economic conditions. On the other hand, the index measuring **future** economic conditions dropped by nearly 10 points with a reading of 99.8 in February compared to a revised reading of 119.7 in November 2014.



The index measuring consumers' planned spending on big-ticket items showed a slim gain at a reading of 95.9 compared to a revised reading of 94.5 in November 2014. This suggests that consumers' spending over the next six months should improve slightly from the current level.



## **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 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**       † California Consumer Sentiment Survey  
                 † Economic Forecast Update Conference for the U.S., California, and  
                 Orange County
  
- 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