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California Consumers' Optimism Increases

Anderson Center for Economic Research

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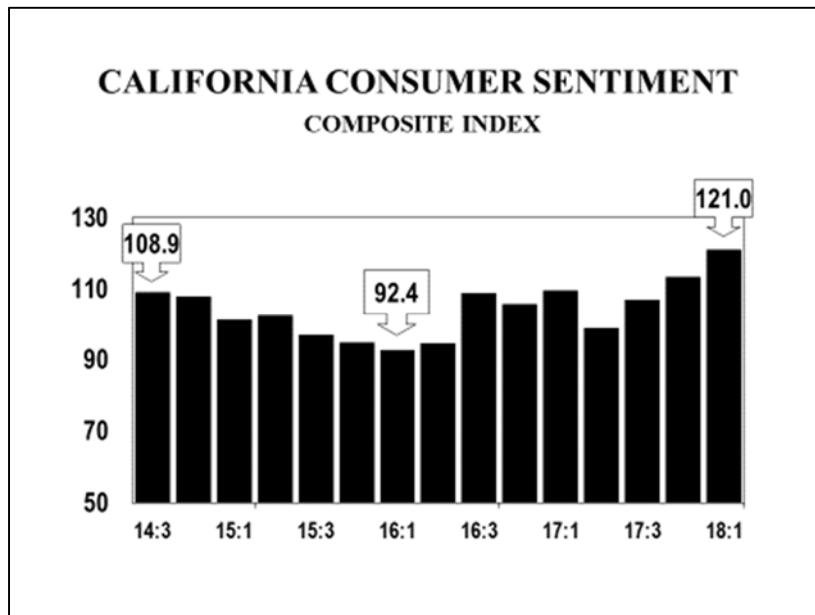
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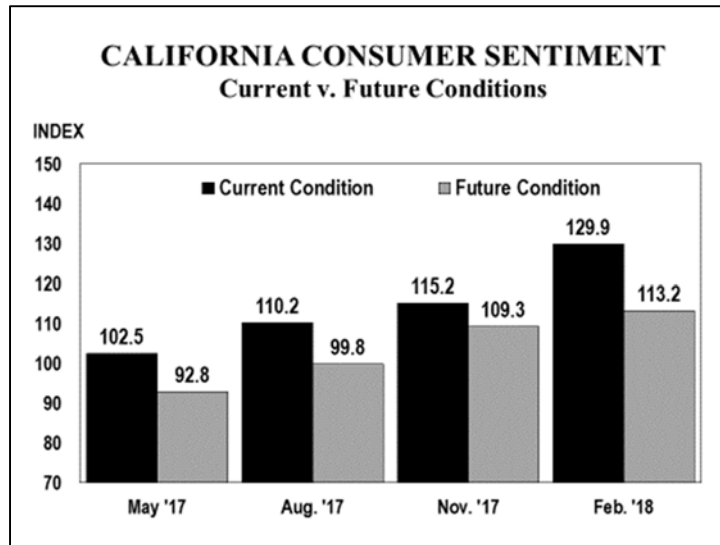
ORANGE, CA —According to the latest survey of California residents, the California Composite Index of Consumer Sentiment increased nearly 8 points from the revised fourth quarter reading of 113.2 to a reading of 121.0 in the first quarter of 2018. An index level above 100 indicates a higher percentage of optimistic consumers versus those who are pessimistic.

This result could be explained by the hopeful outcomes of income tax reform by Congress and continued rise of the stock market.

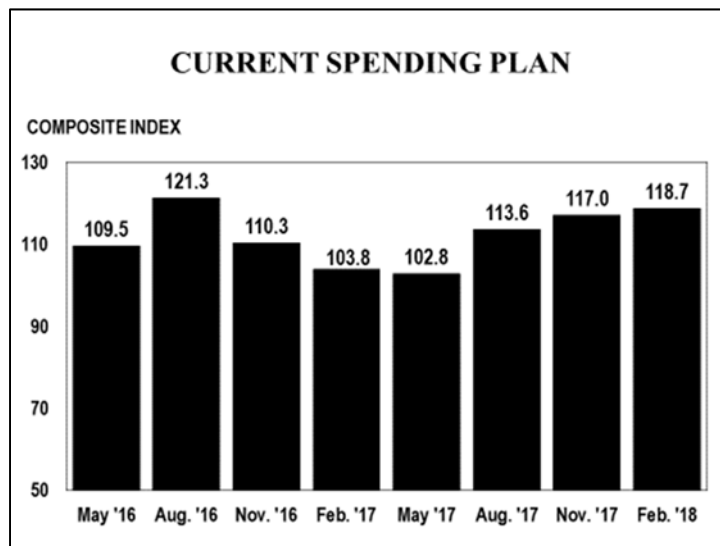


The California Composite Index is generated based on three indices: consumers' outlook on current and future economic conditions, and an index measuring consumers' spending plan.

The **current** economic conditions index recorded a reading of 129.9 in February of 2018. This reflects a substantial increase from the revised reading of 115.2 in November of 2017. The index measuring **future** economic conditions showed continued positive movement with an increase of 3.9 points, from a revised November reading of 109.3 to 113.2 in February.



The index measuring consumers' planned spending on big-ticket items increased by 1.7 points from a revised reading of 117.0 in November of 2017 to 118.7 in February. This suggests that consumers' spending over the next six months on big-ticket items will continue to be strong.



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 five questions is mailed to a stratified sample of 7,500 residences throughout the state, with a historical response rate of 5 to 10 percent. Two 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

- MARCH** † California Consumer Sentiment Survey

- APRIL** † California Purchasing Managers Survey

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

- JULY** † California Purchasing Managers Survey

- SEPTEMBER** † California Consumer Sentiment Survey

- OCTOBER** † California Purchasing Managers Survey

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