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### Consumer Sentiment Stalled

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### A. Gary Anderson Center for Economic Research

**For Release:**

March 10, 2014

**Contact:**

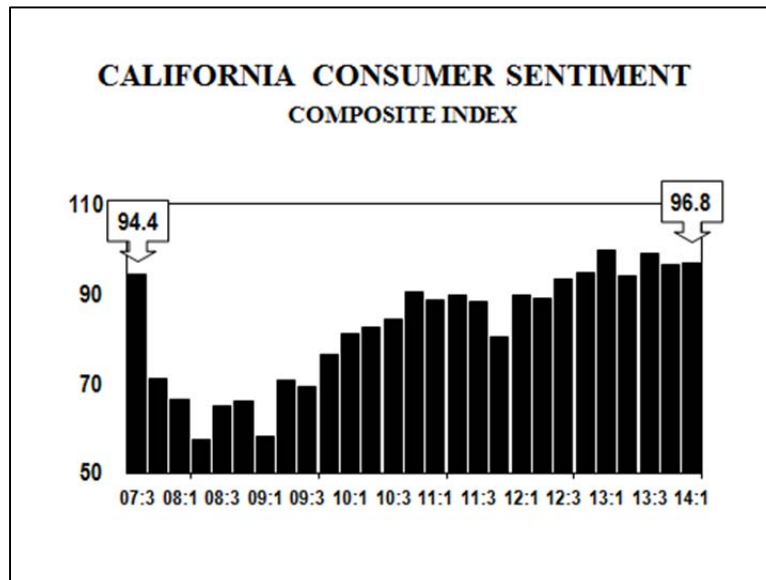
Esmael Adibi

Director of the Anderson Center for Economic Research

(714) 997-6693

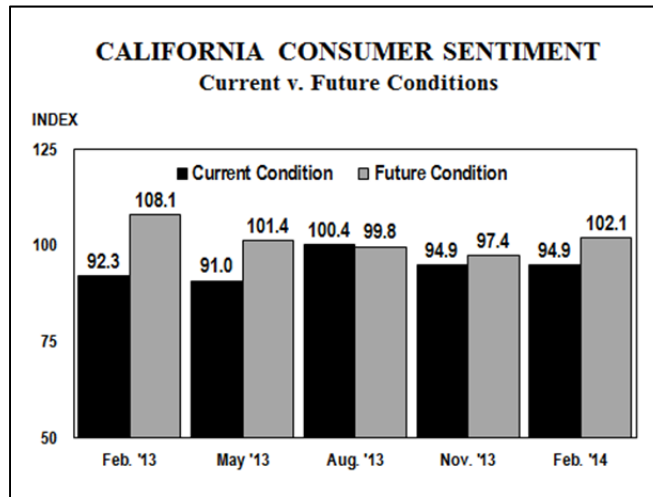
## California Consumer Sentiment Stalled

ORANGE, CA —The California Composite Index of Consumer Sentiment remained virtually unchanged in the first quarter of 2014 at 96.8 compared to the revised reading of 96.7 in the first quarter of 2014. Relatively high unemployment rates seem to have offset the higher home prices and equity market, leading to a steady consumer sentiment. It is important to note that an index level below 100, reflects a higher percentage of pessimistic consumers versus those who are optimistic. Over a comparable time period, the University of Michigan measurement of the U.S. consumer sentiment increased by more than 5 points to a reading of 81.6 in the February of 2014 from a reading of 75.1 in November of 2013.

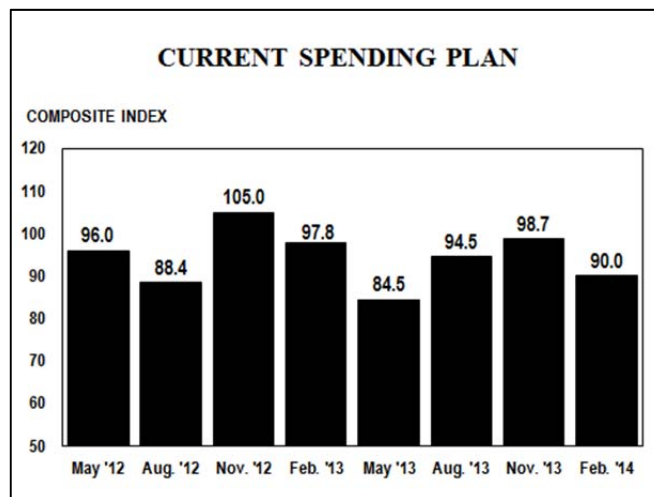


The California Composite Index is generated based on three indices: consumers' outlook on current and future economic conditions, and an index measuring consumers' spending plan.

The **current** economic conditions index remained unchanged at 94.9 in February of 2014, compared to the revised reading of 94.9 in November of 2013. The index measuring **future** economic conditions, however, increased by nearly 5 points, with a reading of 102.1 in February of 2014 compared to a revised reading of 97.4 in November of 2013.



The index measuring consumers' planned spending on big-ticket items decreased more than 8 points to a reading of 90.0 in February compared with a revised November reading of 98.7. This suggests that consumer spending in this quarter will be somewhat lower than the fourth quarter of 2013, a typical seasonal trend.



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