



A. Gary Anderson Center for Economic Research

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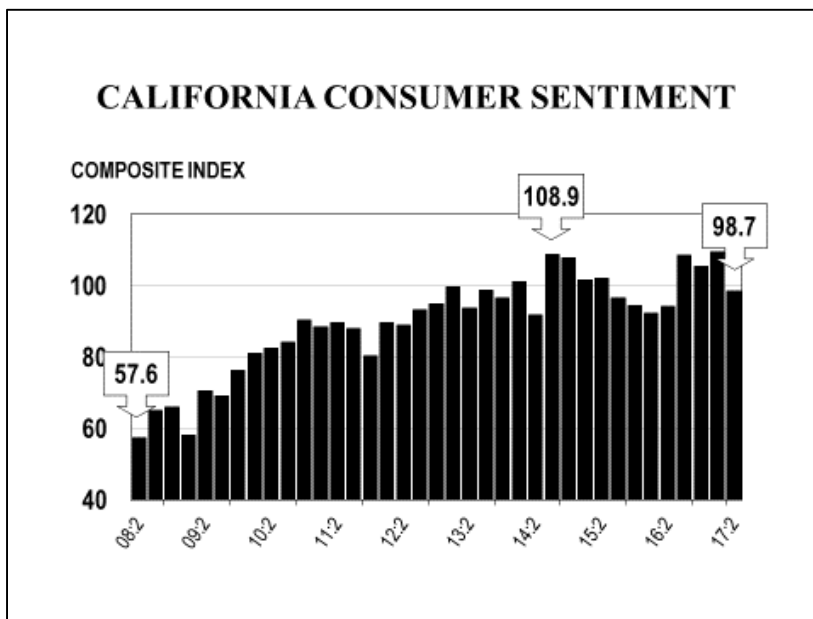
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California Consumers' Become Pessimistic

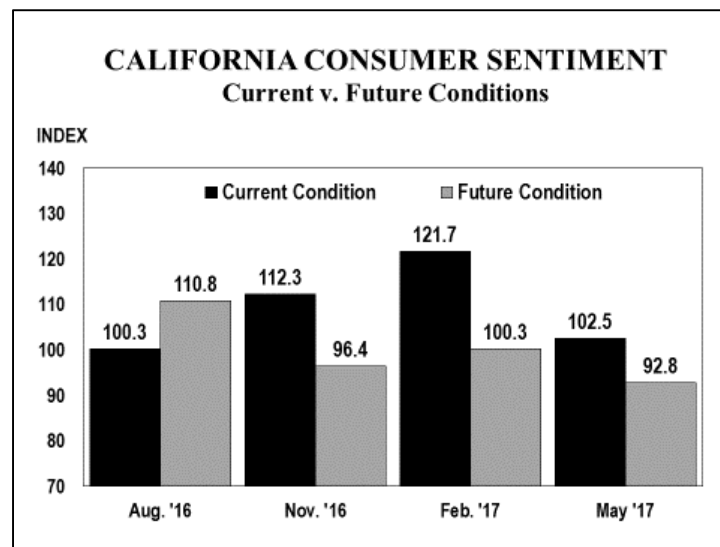
ORANGE, CA —According to the latest survey of California residents, the California Composite Index of Consumer Sentiment decreased over 10 points from the first quarter revised reading of 109.5 to a reading of 98.7. An index level below 100 indicates a higher percentage of pessimistic consumers versus those who are optimistic.

This could be explained by the highly unpopular GOP medical care act that passed the House of Representatives and the lack of progress on enacting the new tax plan by Congress.

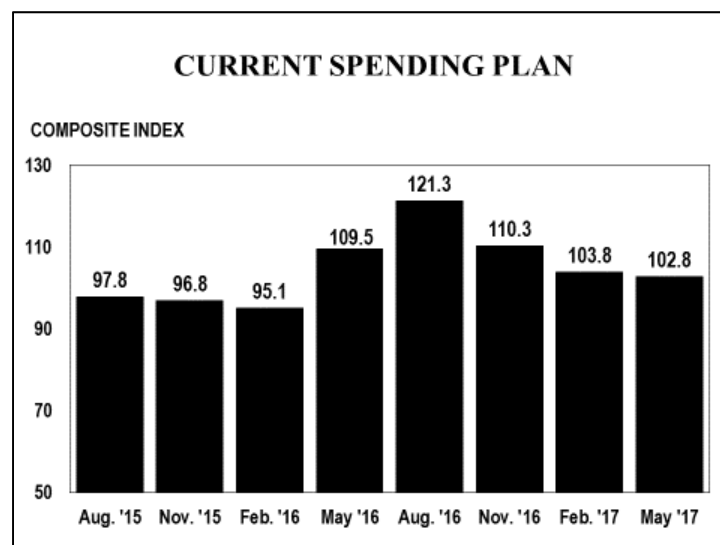


The California Composite Index is generated based on three indices: consumers' outlook on current and future economic conditions, and an index measuring consumers' spending plan.

The **current** economic conditions index recorded a reading of 102.5 in May of 2017. This reflects a 19.2 point decrease from the revised reading of 121.7 in February of 2017. The index measuring **future** economic conditions also showed less enthusiasm with a decrease of 7.5 points, from a revised February reading of 100.3 to 92.8 in May.



The index measuring consumers' planned spending on big-ticket items held steady decreasing only a point from a revised reading of 103.8 in February of 2017 to 102.8 in May. This suggests that consumers' spending over the next six months on big-ticket items will continue but will not 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

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| JANUARY | <ul style="list-style-type: none">▸ Economic Forecast Conferences for the Inland Empire▸ California Purchasing Managers Survey |
| MARCH | <ul style="list-style-type: none">▸ California Consumer Sentiment Survey |
| APRIL | <ul style="list-style-type: none">▸ California Purchasing Managers Survey |
| JUNE | <ul style="list-style-type: none">▸ California Consumer Sentiment Survey▸ Economic Forecast Update Conference for the U.S., California, and Orange County |
| JULY | <ul style="list-style-type: none">▸ California Purchasing Managers Survey |
| SEPTEMBER | <ul style="list-style-type: none">▸ California Consumer Sentiment Survey |
| OCTOBER | <ul style="list-style-type: none">▸ California Purchasing Managers Survey |
| DECEMBER | <ul style="list-style-type: none">▸ Economic Forecast Conference for the U.S., California and Orange County▸ California Consumer Sentiment Survey |