



### A. Gary Anderson Center for Economic Research

**For Release:**

December 11, 2014

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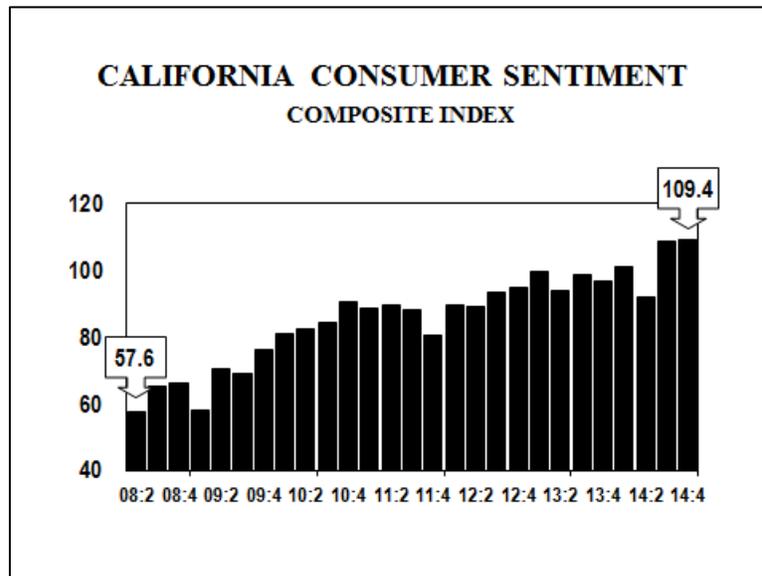
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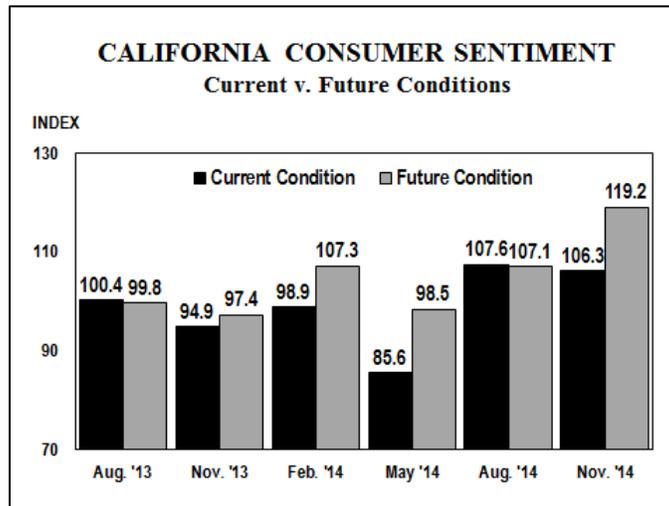
## California Consumer Sentiment At A Ten-Year High

ORANGE, CA —The preliminary California Composite Index of Consumer Sentiment increased slightly to 109.4 in the fourth quarter of 2014 compared to a revised reading of 108.9 in the third quarter of 2014. This uptick marks the highest level of consumer sentiment index since the fourth quarter of 2004. An index level above 100 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 also improved to a reading of 88.8 in November from a reading of 82.5 in August of 2014.

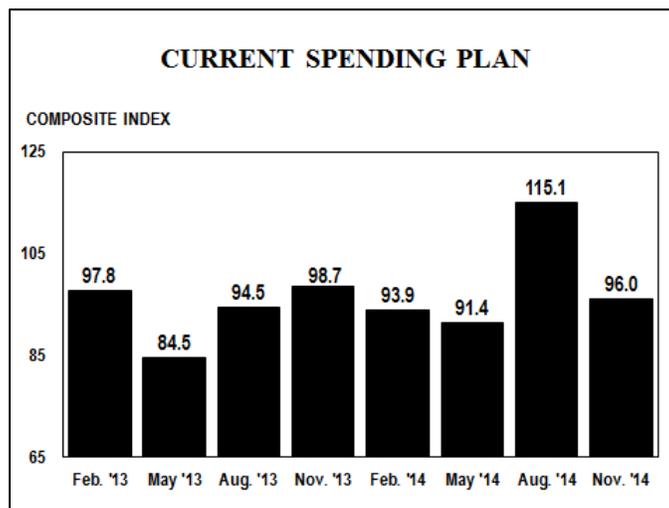


The California Composite Index is generated based on three indices: consumers' outlook on current and future economic conditions, and an index measuring consumers' spending plan.

The **current** economic conditions index is at 106.3 in November of 2014, a decrease of about one point from a revised reading of 107.6 in August of 2014. The index measuring **future** economic conditions leaped by more than 12 points with a reading of 119.2 in November compared to a revised reading of 107.1 in August 2014.



The index measuring consumers' planned spending on big-ticket items declined sharply to 96.0 from a revised reading of 115.1 in August 2014. Such a significant drop suggests that either the August's significant increase was an aberration or, it is an indication that a cool off in consumers' purchasing of durable goods over the next six months is in the offing.



## **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