



A. Gary Anderson Center for Economic Research

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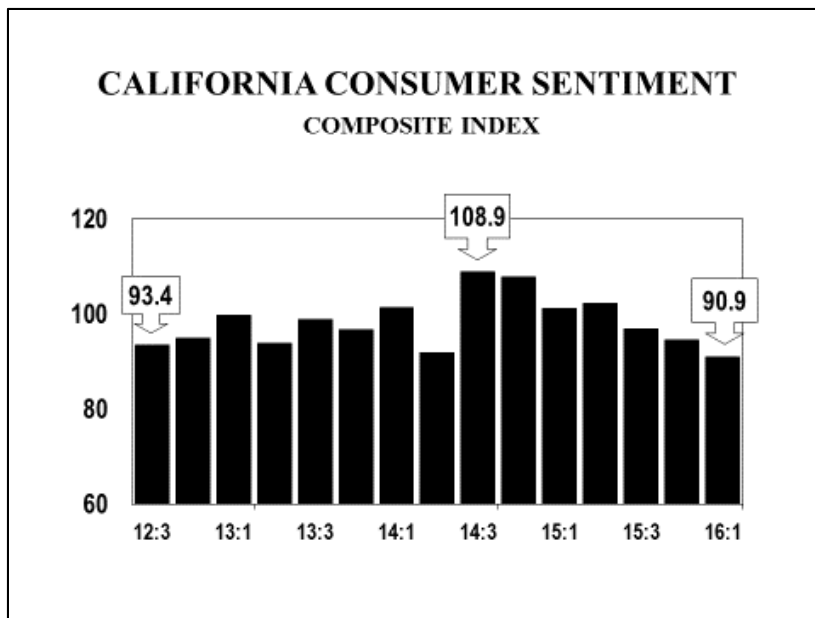
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California Consumers Lose Some Optimism

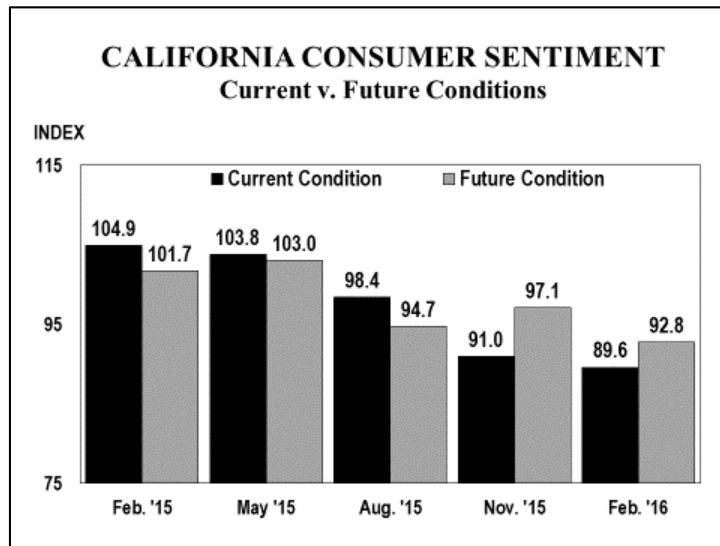
ORANGE, CA —The California Composite Index of Consumer Sentiment dropped from the revised fourth quarter reading of 94.6 to 90.9 in the first quarter of 2016. An index level below 100 indicates a higher percentage of pessimistic consumers versus those who are optimistic.

In spite of a relatively strong job market, stock market corrections, low housing affordability and higher rents seem to have negatively affected consumers' attitudes in the first quarter of 2016.

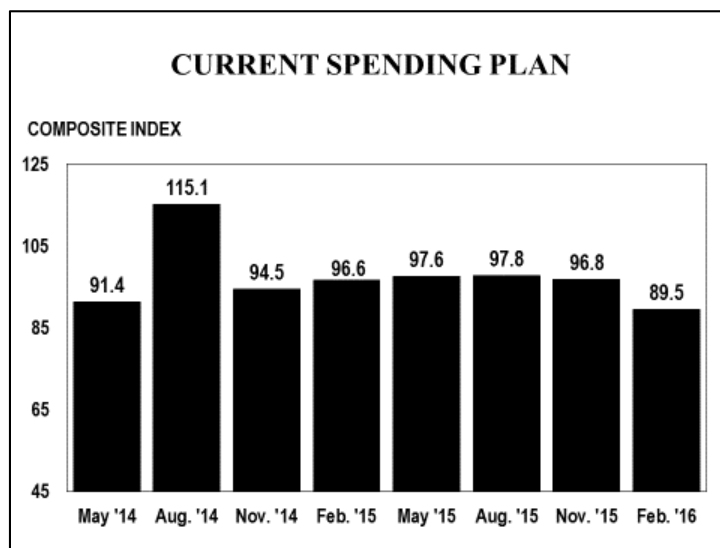


The California Composite Index is generated based on three indices: consumers' outlook on current and future economic conditions, and an index measuring consumers' spending plan.

The **current** economic conditions index is at 89.6 in February of 2016, a slight decrease from the revised reading of 91.0 in November of 2015. The index measuring **future** economic conditions decreased over four points to 92.8 in February compared to the revised reading of 97.1 in November of 2015.



The index measuring consumers' planned spending on big-ticket items is lower at a reading of 89.5 compared to a revised reading of 96.8 in November 2015. This suggests that consumers' spending over the next six months will remain healthy but somewhat lower than the current spending pace of year-over-year increases of 3.0 percent.



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