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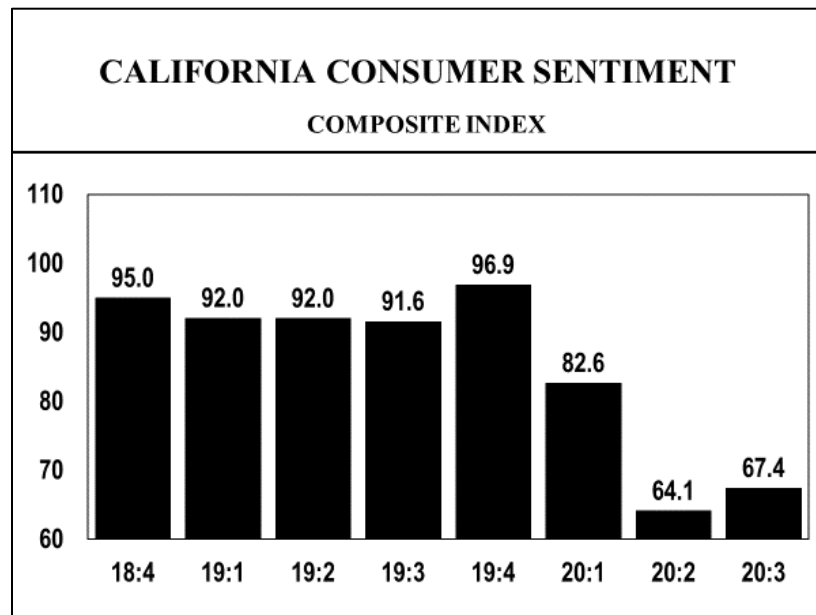
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PRESS RELEASE

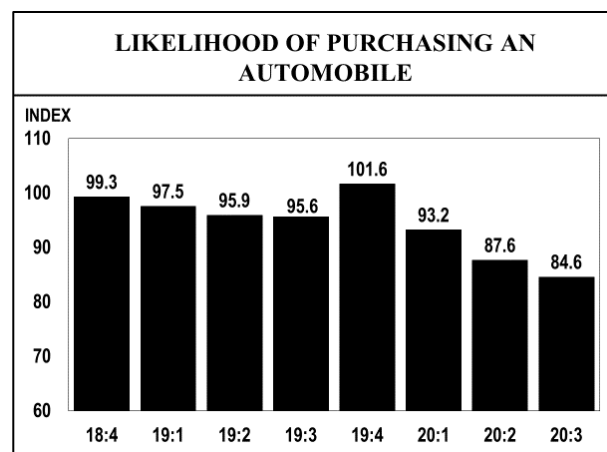
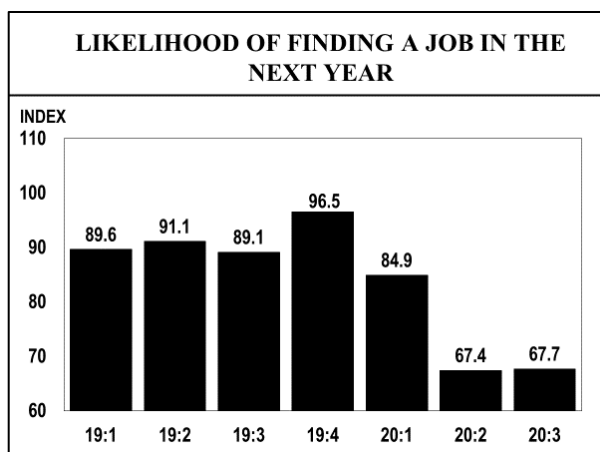
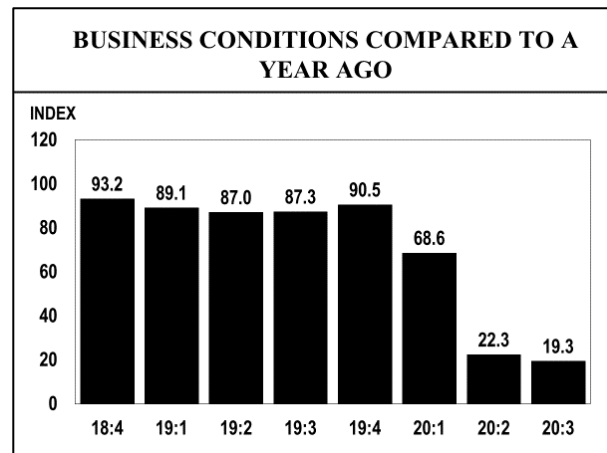
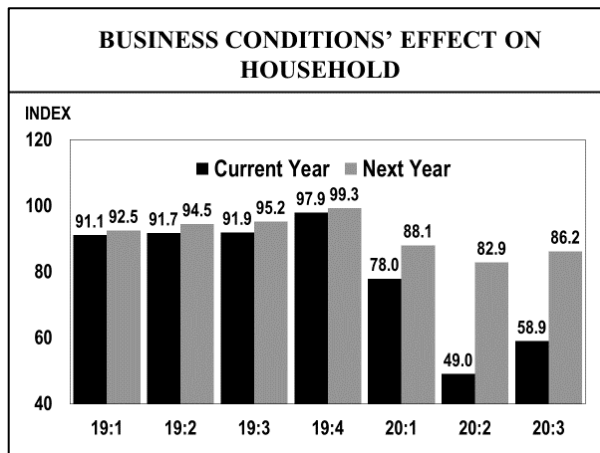
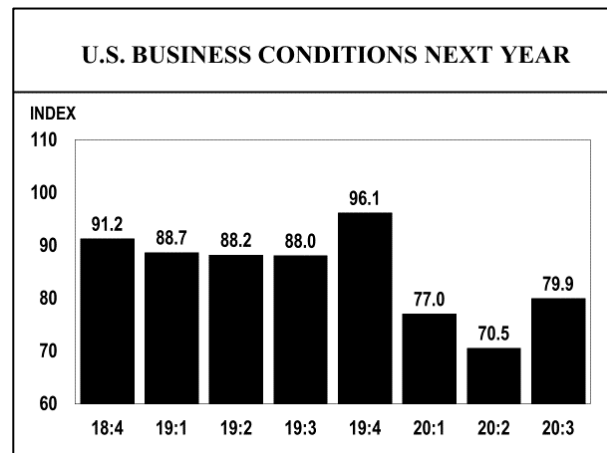
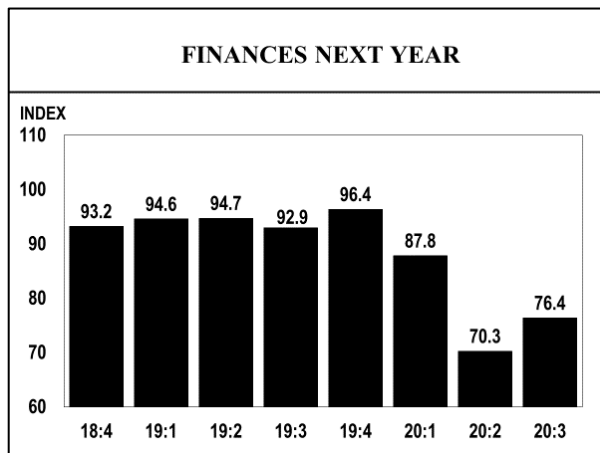
IS CALIFORNIA POISED FOR RECOVERY?

ORANGE, CA — The Chapman-CMC California Consumer Sentiment Index posted its first gain since the fourth quarter of 2019 and the onset of the coronavirus pandemic. The consumer sentiment index rose from a value of 64.1 to 67.4, an increase of 5.1 percent. The significant rise in consumer sentiment raises the question as to whether California is poised for an economic recovery.

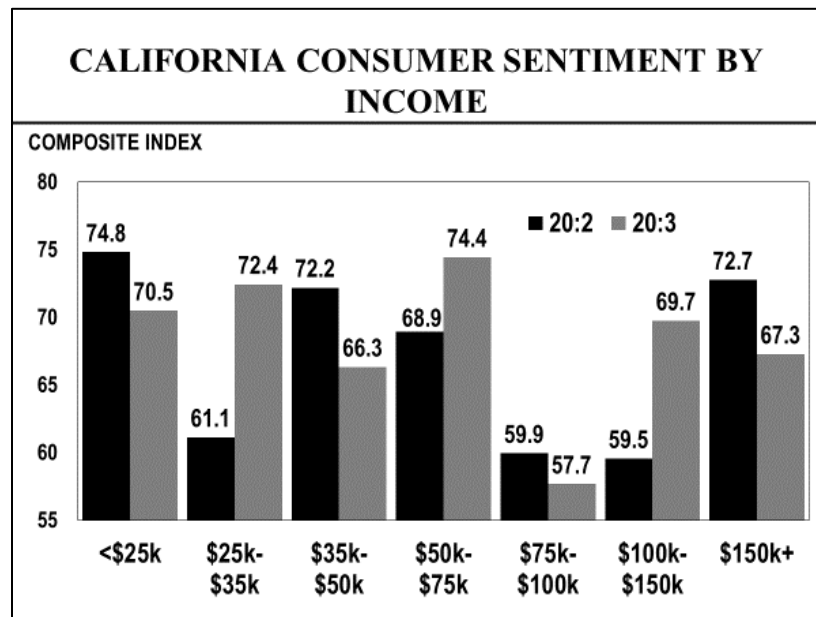


California residents who participated in the random survey of 2,000 people expressed rising consumer sentiment in several questions about future economic and financial conditions. Consumer sentiment increased 8.7 percent in response to the question about finances next year. With respect to U.S. business conditions next year, survey respondents reported a 13.3 percent rise in consumer sentiment. California residents also indicated that they had a 20.3 percent increase in sentiment over the effect of business conditions on the household in the current year and a 4.1 percent rise over the next year. However, business conditions compared to a year ago

fell from an index value of 22.3 to 19.3, a decline of 13.3 percent. Survey participants had slightly higher sentiment, a less than 1 percent rise, about job prospects over the next year. Finally, consumers expressed a 3.5 percent decline in the likelihood of purchasing an automobile.



There are several demographic changes that merit discussion. Senior citizens reported a 13.3 percent increase in consumer sentiment. Survey respondents making between 25 and 30 thousand dollars saw an 18.5 percent increase in consumer sentiment while California residents making between 100 and 150 thousand dollars reported a 17.1 percent rise in sentiment. Self-employed workers registered a 36.0 percent rise in sentiment in the third quarter, which may reflect the reopening of the economy in California.



The responses to the seven questions that make up the California Consumer Sentiment Index suggest that California has turned the corner and is starting to recover as the economy reopens. Improving consumer sentiment likely reflects the fact that the medical community has a much better understanding on how to treat the coronavirus which is driving down the mortality rate of the virus. In addition, it appears that a vaccine is on its way. A vaccine will boost economic confidence and ultimately consumer spending. As Professor Weidenmier of Chapman University notes, “The economic recovery is starting in California. It appears that the California economy has turned the corner. This upward trend is likely to continue given medical advances and the introduction of a vaccine that will most likely stifle a second wave of COVID19.”

The Chapman-CMC California Consumer Sentiment Index is a joint venture between the A. Gary Anderson Center for Economic Research at Chapman University and the Lowe Institute of Political Economy at Claremont McKenna College. The Index is constructed from the results of a quarterly survey of a random sample of 2000 people stratified on the basis of age, gender, ethnicity, income, and zip code. The survey asks respondents seven questions concerning their current situation, perceived future prospects, and spending plans.

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
- › Orange County Consumer Sentiment Survey
- › California Consumer Sentiment Survey

APRIL

- › California Purchasing Managers Survey
- › Orange County Consumer Sentiment Survey
- › California Consumer Sentiment Survey

JUNE

- › Economic Forecast Update Conference for the U.S, California and Orange County

JULY

- › California Purchasing Managers Survey
- › Orange County Consumer Sentiment Survey
- › California Consumer Sentiment Survey

OCTOBER

- › California Purchasing Managers Survey
- › Orange County Consumer Sentiment Survey
- › California Consumer Sentiment Survey

DECEMBER

- › Economic Forecast Conference for the U.S., California and Orange County