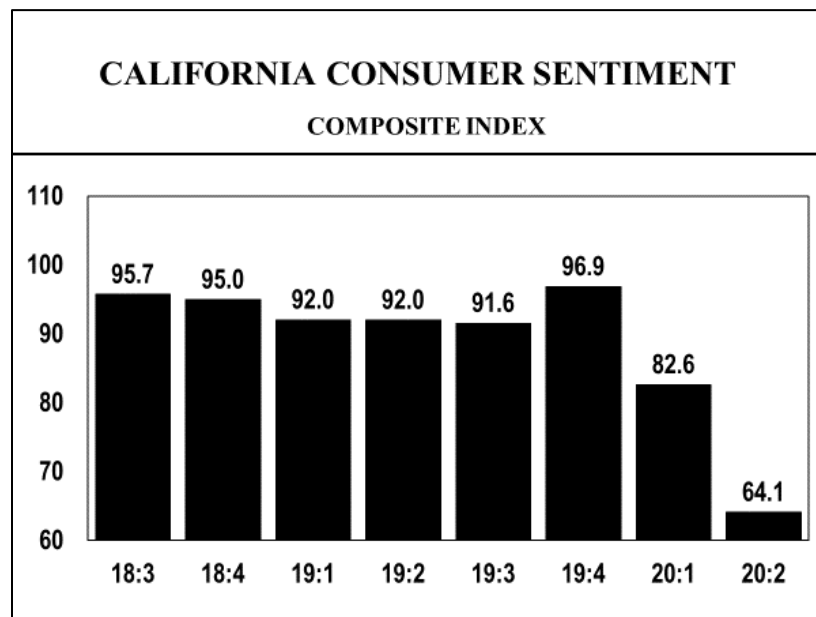


PRESS RELEASE

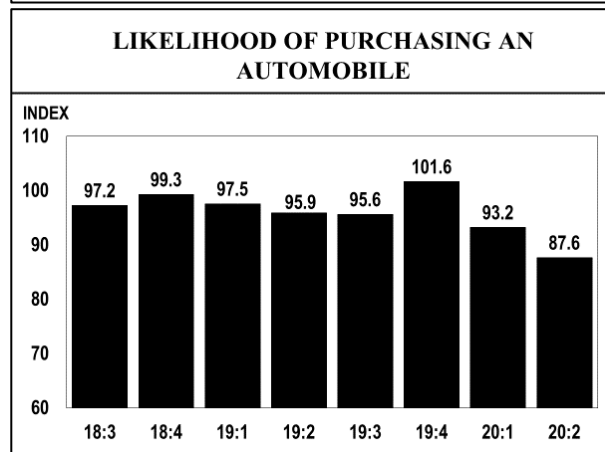
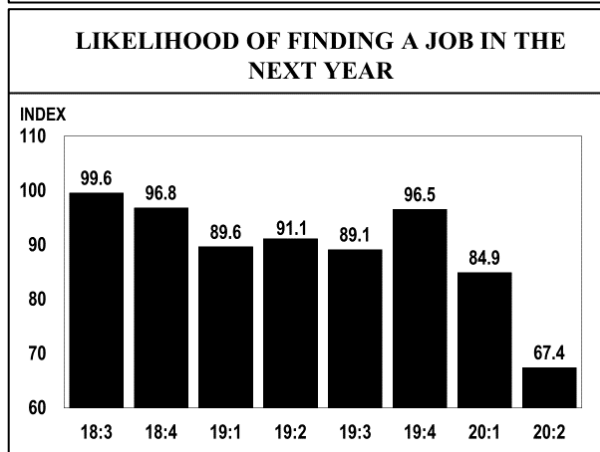
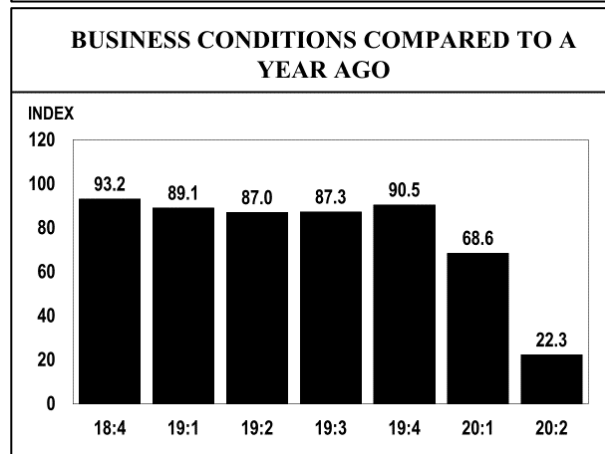
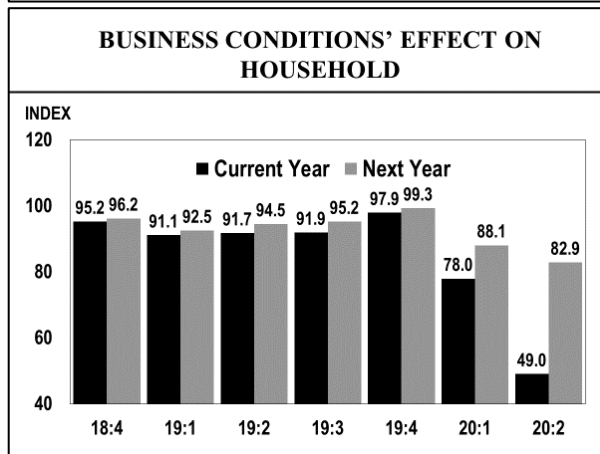
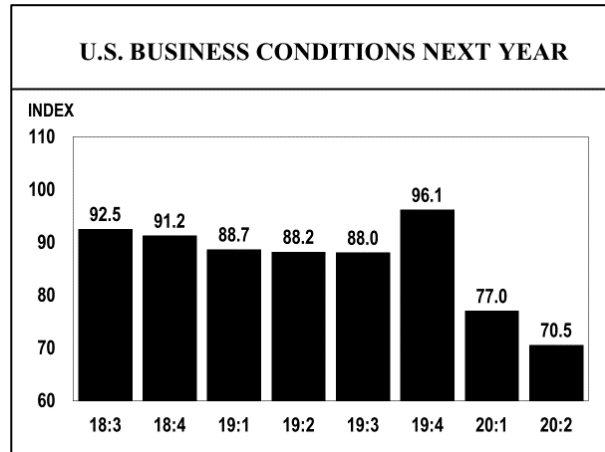
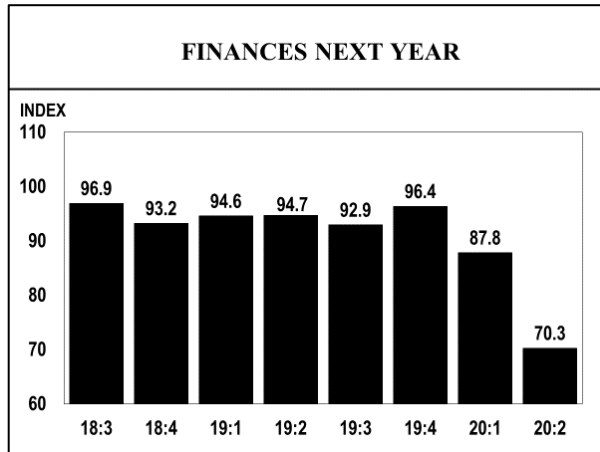
CALIFORNIA CONSUMER SENTIMENT DROPS 22.4% IN SECOND QUARTER ACCORDING TO SURVEY FROM CLAREMONT MCKENNA COLLEGE AND CHAPMAN UNIVERSITY

**SENTIMENT HAS DROPPED A TOTAL OF 33.8% SINCE THE ARRIVAL OF COVID-19 IN
FIRST QUARTER**

LOS ANGELES – June 25, 2020 -- The Chapman-CMC California Consumer Sentiment Index (Index) fell in second quarter 2020, declining 22.4% from 82.6 in late March 2020 to 64.1 in late June, as the global pandemic kept most businesses closed for the bulk of the quarter. The survey was in the field from June 3 – June 19. This sharp drop follows a 14.7% decline in the first quarter, making for a 33.8% decline in the Index since the onset of Covid-19. The Index is generated by an alliance between Claremont McKenna College's Lowe Institute and Chapman University.



“The decrease in sentiment since the onset of Covid-19 is broadly felt, with steep declines in every demographic group as California navigated a state-wide stay-at-home directive and shutdown of most businesses,” said Cameron Shelton, Director of the Lowe Institute of Political Economy and McMahon Family Associate Professor of Political Economy and Claremont McKenna College. “While this decline is across all demographics, there are a few groups that stand out as somewhat harder hit and a few groups that have endured less of a decline. For example, those at the upper end of the income scale have greater job security and more resources to cope with the effects of the shutdown.”



CONFIDENCE COLLAPSES AMONG SELF-EMPLOYED AND YOUNGER AGE GROUPS

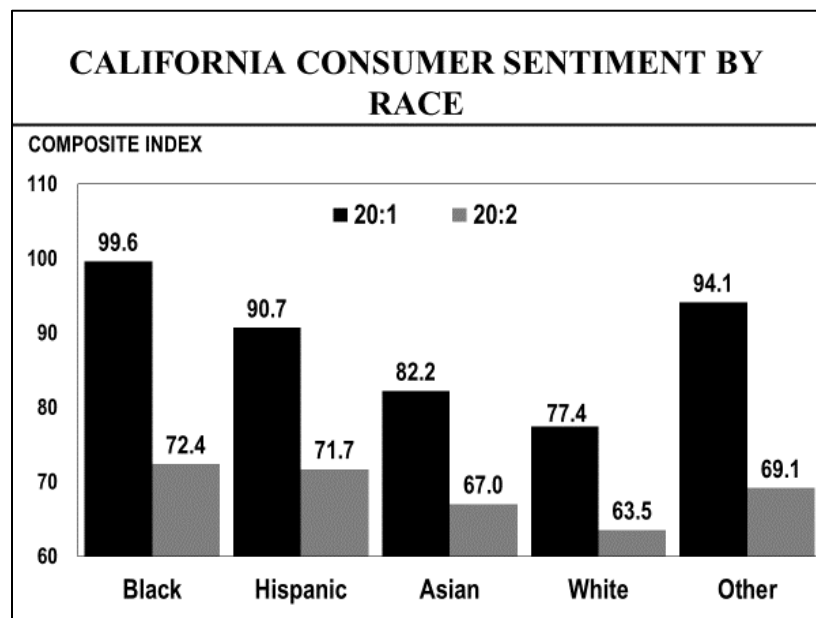
Sentiment among respondents earning more than \$150,000 per year is down “only” 21.9% this year, (from the fourth quarter of 2019 survey that was completely pre-Covid) compared with 33.6% for the rest. One group that has been particularly hard hit over this period is the self-employed, with confidence plummeting 43.2%.

“Only at the highest level of income and resources do we begin to see a systematically smaller effect of the crisis,” Shelton noted.

Despite the higher mortality rate from Covid-19 among older Americans, the youngest age groups experienced the greatest collapse in confidence. Consumer sentiment among those aged 18-24 declined 37.1% while sentiment among those 65+ declined only 29.2%. There were few differences among those between the ages of 24 and 64. “The youngest group is far more likely to have been laid off or furloughed as a result of the shut-down,” Shelton observed.

CONFIDENCE VARIES AMONG ETHNIC GROUPS

Despite the racially charged social unrest ongoing during the survey period, sentiment declined similarly among Black and White Californians. Despite the fears of Covid-19 stoked racial animus against Chinese Americans and other Asian Americans, sentiment among Asian Americans was the most robust of any racial group, declining 24.6%. The greatest decline from any ethnic group in the first half of the year was among Latino respondents who reported a 34.8% decline in sentiment.



Professor Weidenmier of Chapman University noted, "Latino consumer sentiment may have the largest decline of any major ethnic group because Latinos often have large extended families that meet regularly. The stay-at-home orders have eliminated this possibility and highlighted some of the social problems created by the quarantine."

STAGGERING DROP IN CONFIDENCE IN CURRENT BUSINESS CONDITIONS

Sentiment indices are a mix of respondent's views of the current and future state of the economy. Evaluations of the present have deteriorated to record lows, but expectations for conditions a year from now are less affected. Not surprising, respondents' sentiment regarding current business conditions in California and the Nation declined a staggering 63% since the fourth quarter of last year. By contrast, when asked about business conditions a year from now, responses were down only 23%. Least affected by Covid-19 is consumer sentiment regarding the purchase of big-ticket items. Sentiment regarding whether it is a good time to purchase an automobile has declined a comparatively mild 13.8% since fourth quarter 2019.

"The difference shows that respondents expect a recovery over the next year. But the 23% decline in expectations about the future shows most respondents believe there will still be lingering weakness even a year from now," he concluded.

The economists behind the Index delve into the data and provide additional analysis and context at www.caconsumersentiment.com.

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