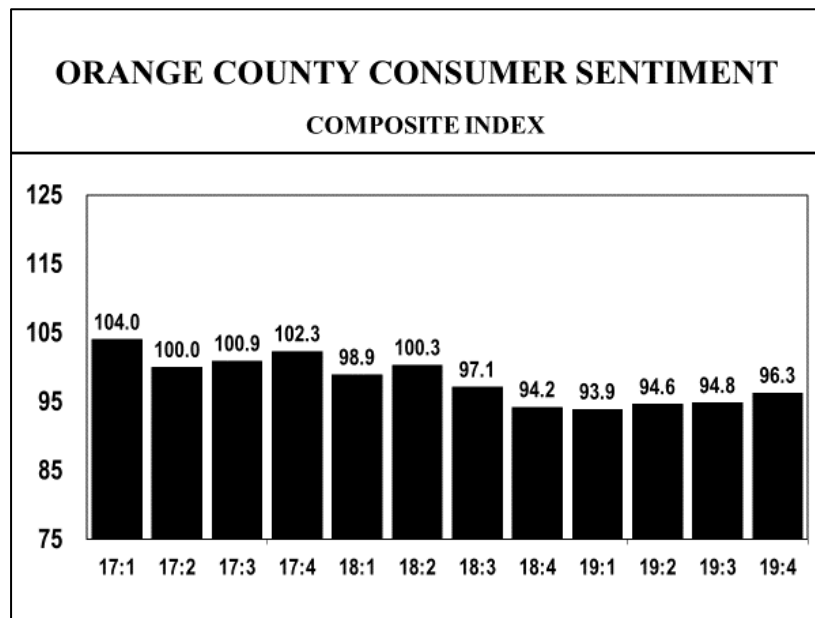




PRESS RELEASE

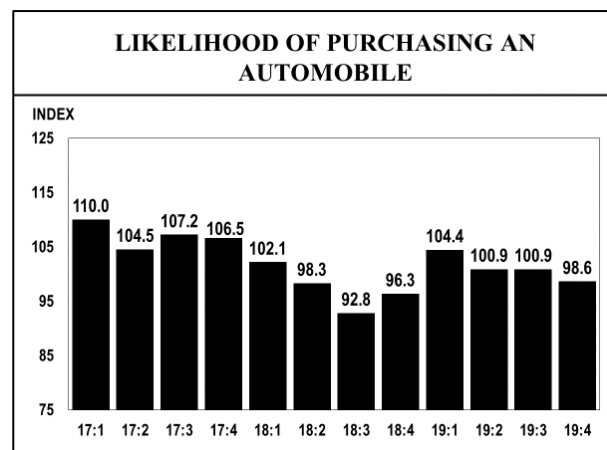
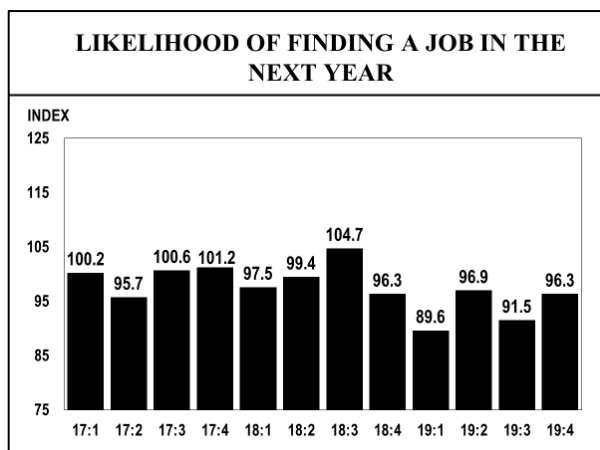
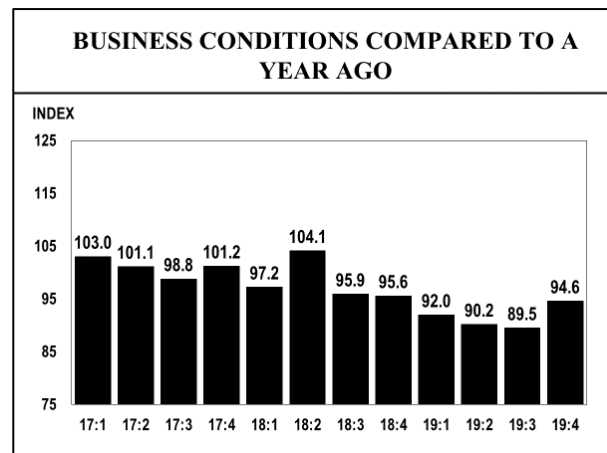
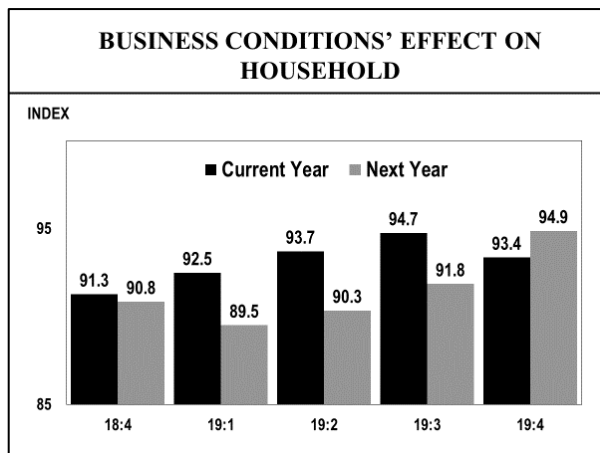
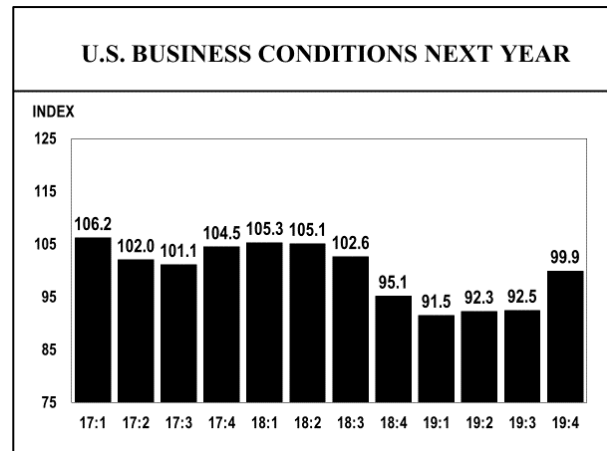
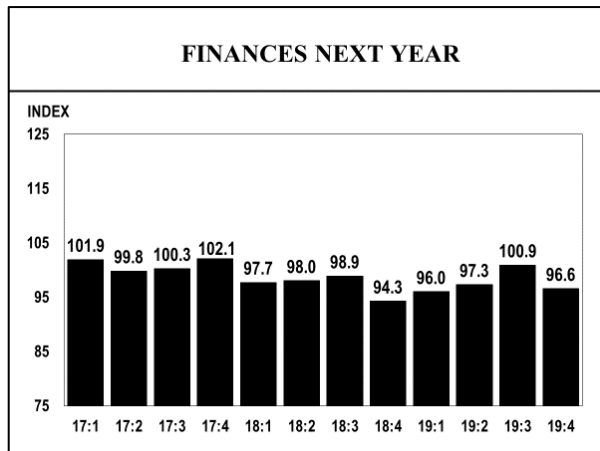
ACCOUNTING FOR THE UPTICK IN ORANGE COUNTY CONSUMER SENTIMENT

The Chapman-Claremont McKenna College Orange County Consumer Sentiment Index rose from a value of 94.8 in the third quarter of 2019 to a reading of 96.3 in the fourth quarter. The nearly two percent rise in consumer sentiment in Orange County likely reflects solid local and national economic conditions over the last three months. GDP growth for the third quarter of 2019 measured 2.1 percent and the Federal Reserve's three interest rate cuts have improved the local and national housing markets. Orange County has an unemployment rate of only 2.5 percent based on the November survey that has also been accompanied by high wage growth in the area. According to Marc Weidenmier, Professor of Finance at the Argyros School of Business and Economics and Director of the Orange County Consumer Sentiment Survey, "OC Consumer sentiment looks like a slow boat cruising on smooth waters."



The small rise in consumer sentiment was driven by three questions in the seven question survey. The 500 random respondents in Orange County reported increased

sentiment for US business conditions which rose from a value of 92.5 in the third quarter to 99.9 by the end of the year, This represents an 8 percent gain in national business conditions. In a related survey question, Orange County survey participants indicated that business conditions had improved over the past year. Sentiment rose 5.7 percent on the comparative question. Orange County residents also reported more than a 3 percent rise in the impact of business conditions on their family's economic situation over the next year. The remaining driver of the uptick in OC consumer sentiment was increased sentiment for finding a job over the next year, which tallied more than a 5 percent rise.



The healthy sentiment gains in the outlook for business conditions and employment was offset to some extent by smaller declines in sentiment for the remaining three questions in the random survey. Respondents indicated that they had a 4.5 percent lower sentiment with respect to their own finances over the next year. Sentiment for the effects of business conditions on their household and for purchasing a car in the next year registered small declines of 1 to 2 percent.

As for demographics, there are a couple of changes to note. Self-employed workers expressed almost a 9 percent rise in consumer sentiment. Survey respondents making between 25 and 35 thousand dollars a year had a 15 percent rise in consumer sentiment over the last quarter. Overall, the fourth quarter numbers indicate a small, but positive improvement in consumer sentiment in Orange County.

The Chapman-CMC Orange County 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.

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