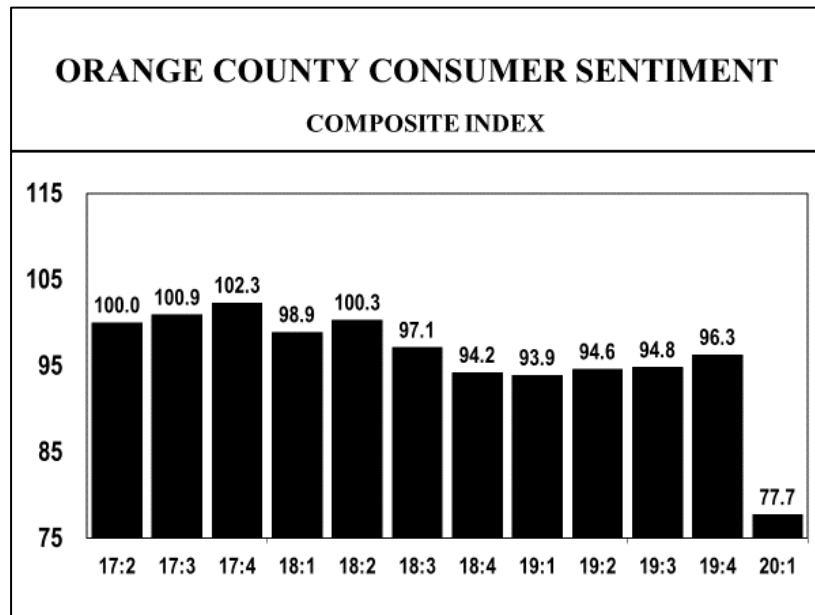




PRESS RELEASE

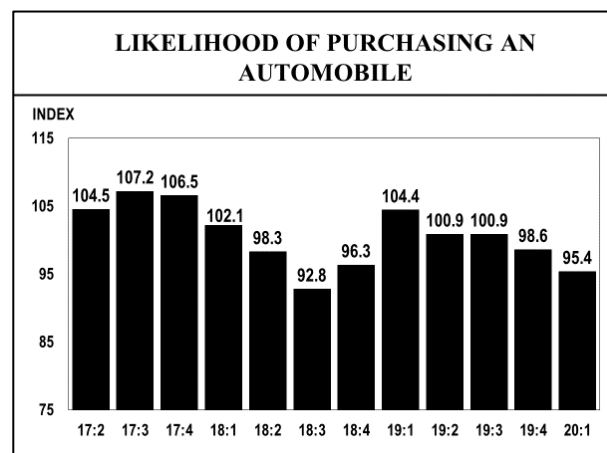
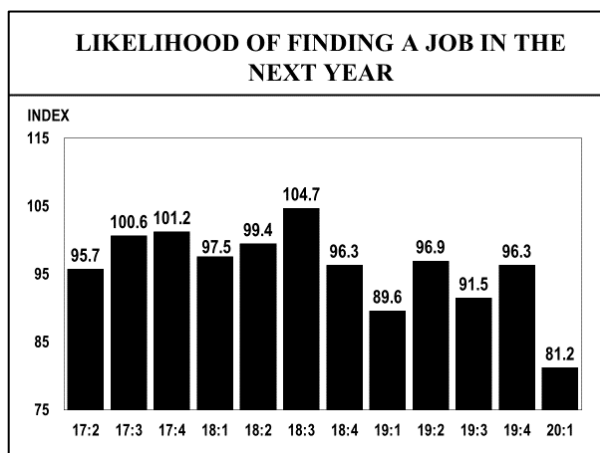
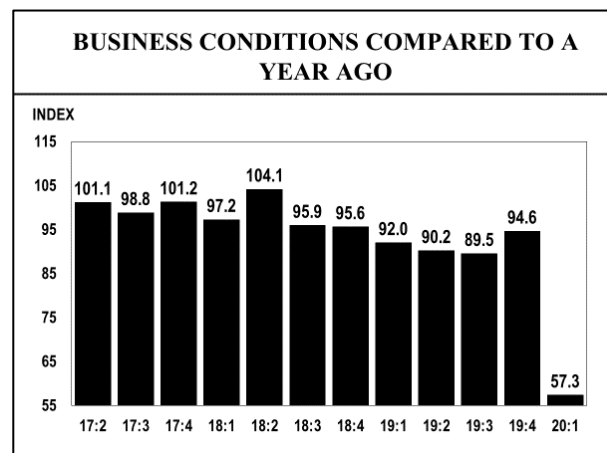
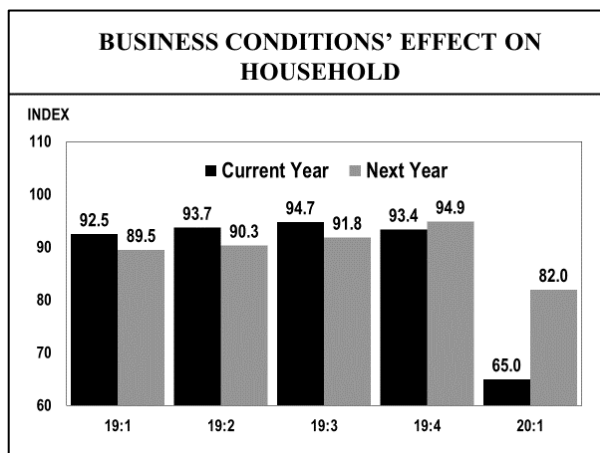
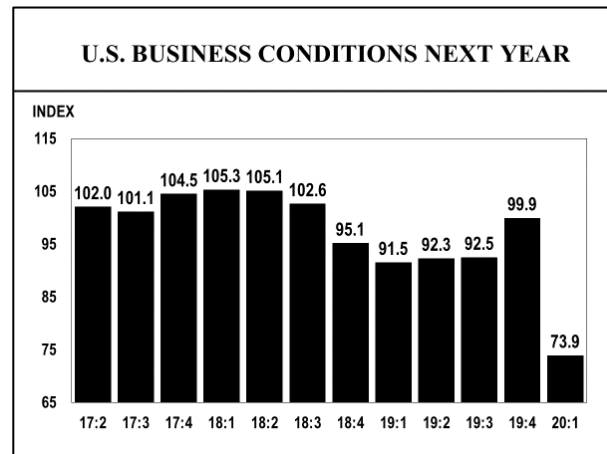
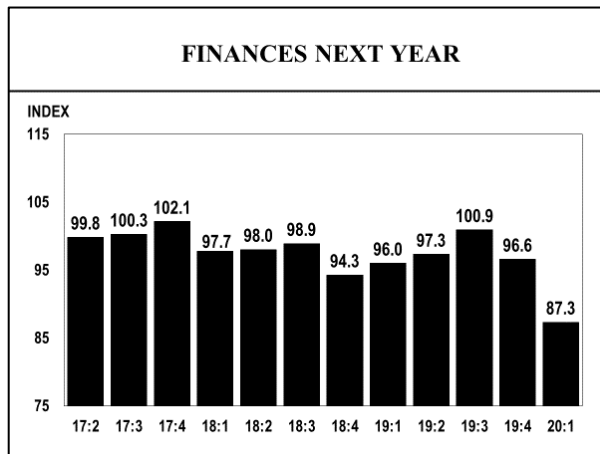
ORANGE COUNTY CONSUMER SENTIMENT PLUNGES 19 PERCENT

The Chapman-CMC Orange County Consumer Sentiment Index fell from a value of 96.3 to a value of 77.7 during the first quarter of 2020. The consumer sentiment index declined by more than 19 percent, the largest decrease since the inception of the Orange County Consumer Sentiment Index in 2017. The 500 participants in the random survey were asked seven questions over the month of March. The seven questions are then used to construct the sentiment index.



The spread of the coronavirus across the United States and Southern California led to the large fall in consumer sentiment. Five of the seven questions in the random survey experienced large, double digit declines. The dramatic fall in the consumer sentiment index was led by the question on current business conditions compared to a year ago. This question registered a 39.4 percent decline in sentiment. In a similar fashion, sentiment with respect to current business conditions fell by 30.4 percent. Sentiment for U.S. business conditions next year also decreased by 26.1 percent. Survey respondents also expressed a large decline in

the likelihood of finding a job next year. Sentiment for job prospects fell by 15.7 percent. Business conditions next year and the state of household finances decreased by 13.6 percent and 9.6 percent, respectively. Finally, survey participants only expressed a 3.3 percent decline in sentiment for purchasing a car in the next year.



The consumer sentiment survey yielded important and interesting responses from the survey participants. First, Orange County residents appear to see the coronavirus as a largely temporary economic phenomenon. The survey questions about current economic and financial conditions experienced the largest declines in consumer sentiment. On the other hand, the smallest declines in consumer sentiment were observed in economic and financial questions asking about next year. As noted by Professor Marc Weidenmier of the Argyros School of Business and Economics, "Going forward, consumer sentiment in Orange County is directly tied to the virus. If social distancing and stay at home orders are followed and work, then consumer sentiment may bounce back rather quickly. However, if the virus continues to spread rapidly across California and the United States, then consumer sentiment is likely to fall even farther and possibly approach depression levels."

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