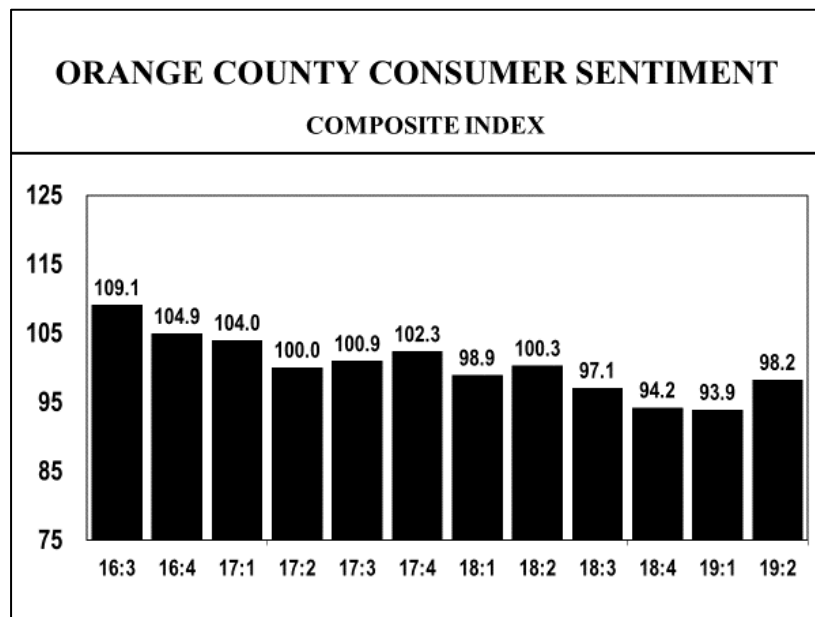


## PRESS RELEASE

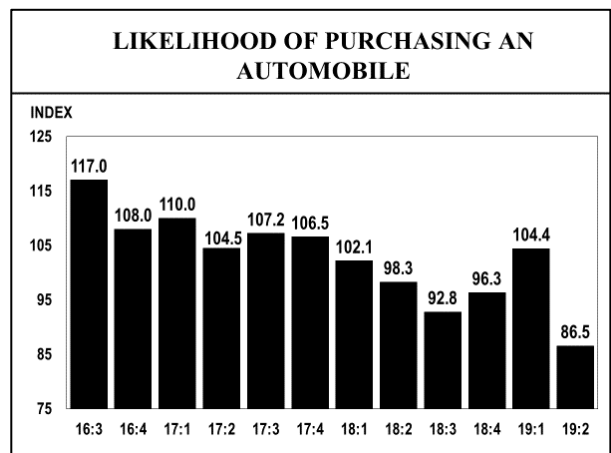
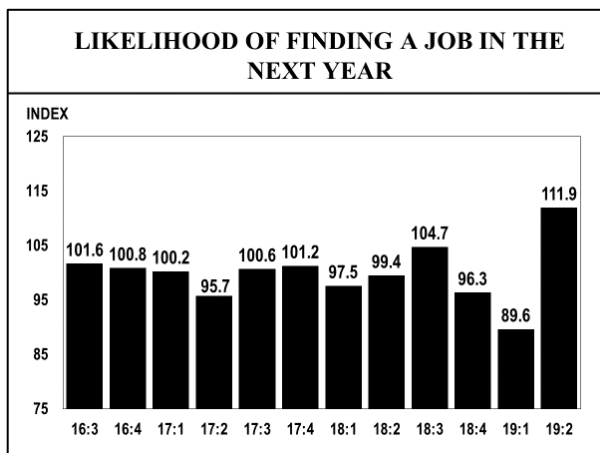
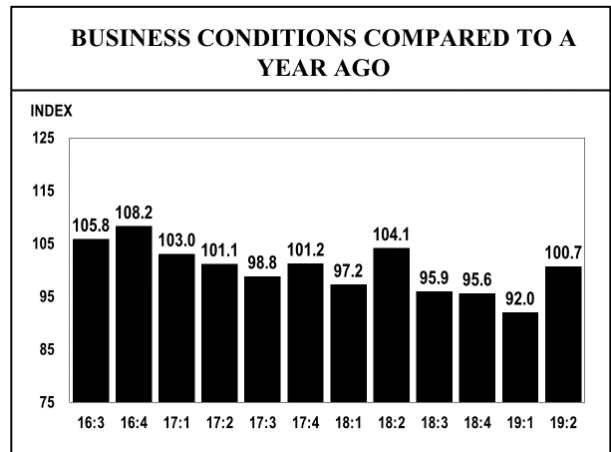
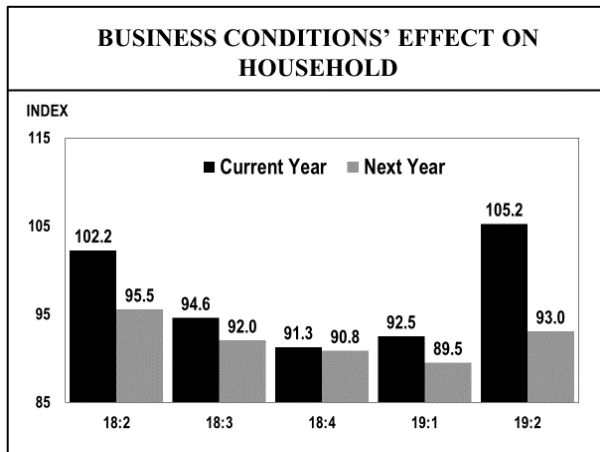
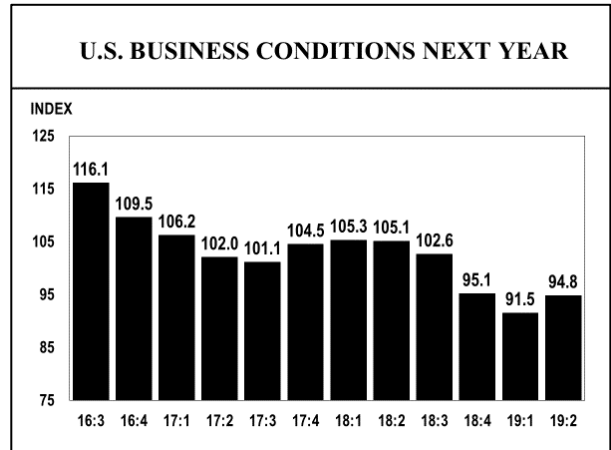
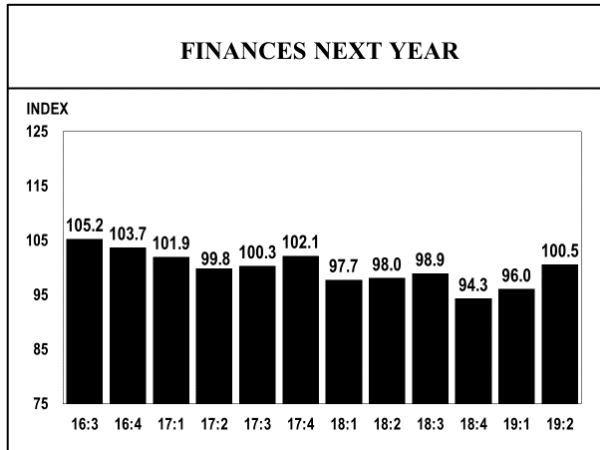
### CONSUMER SENTIMENT IS ALIVE AND KICKING IN ORANGE COUNTY

The Chapman University-Claremont McKenna College Orange County Consumer Sentiment Index increased from a value of 93.90 in the first quarter of 2019 to a value of 98.22 in the second quarter. The rise in the random survey of 500 respondents represents a 4.6 percent increase in the overall index. As noted by Professor Marc Weidenmier of Chapman University, the results of the current survey indicate “that consumer sentiment is alive and kicking in Orange County. The results of the recent quarter bode well for consumer spending in Orange County over the next six months or so.”



The Chapman University-CMC Consumer Sentiment Index is constructed from responses to seven questions about current and future economic and financial conditions in Orange County. The recent substantial rise in Orange County consumer sentiment was largely driven by three questions in the survey. First, survey participants indicated a more favorable attitude towards their own financial conditions over the next 12 months. Sentiment rose 4.73 percent with respect to future financial conditions of Orange County households. Survey respondents also indicated that they are more optimistic about current business

conditions in Orange County. Current business conditions had nearly a 10 percent increase in sentiment over the last quarter. Finally, the random survey indicates that people living in Orange County continue to be bullish about the local job market. Orange County respondents expressed a 25 percent increase in the ability to find a new job if they lose their existing one. The bullish sentiment is consistent with Orange County's low unemployment rate which currently stands at 2.4 percent.



There were also some interesting changes in certain income groups and employment status among survey participants that help explain the results of the consumer sentiment survey from the second quarter of 2019. Consumer sentiment increased more than 20 percent for participants making between \$35,000 and \$50,000 and for survey respondents making between \$100,000 and \$150,000. Part-time workers, students, and the unemployed all had sizable increases in consumer sentiment. The income and employment trends reflect the tight labor market in Orange County which opens up job opportunities to groups such as students and part-time workers and also raises the prospects for higher wages.

Overall, the latest results from the Chapman University-CMC Orange County Consumer Sentiment Index indicate that consumer sentiment remains strong. This trend is likely to continue in the upcoming quarters given that the federal funds futures market is predicting a cut to short-term interest rates later this year. A potential area of concern for future consumer spending in Orange County is economic uncertainty between the U.S. and China. A trade war between the two countries could depress investment spending in Orange County and California as a whole given the large amount of trade that the Golden State has with China. The next couple of quarters should provide some clarification to the U.S.-China trade dispute and its possible spillover effects on Orange County consumer spending.

*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