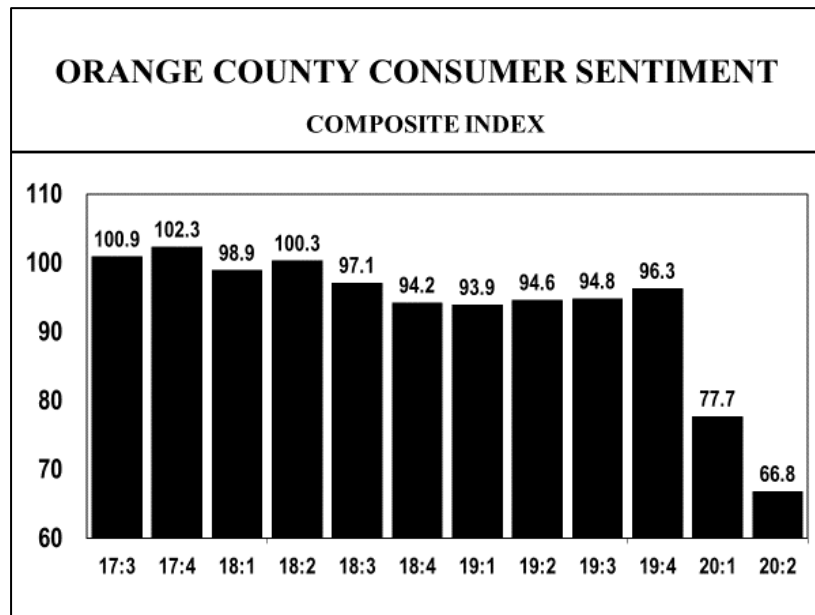


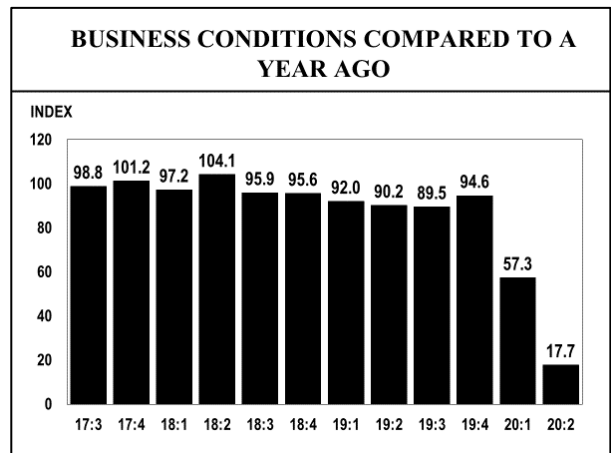
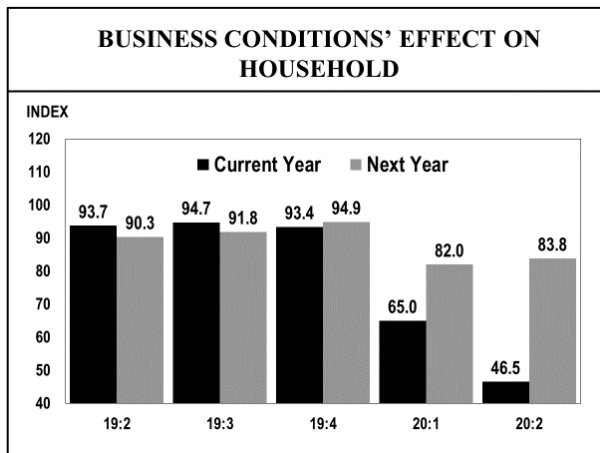
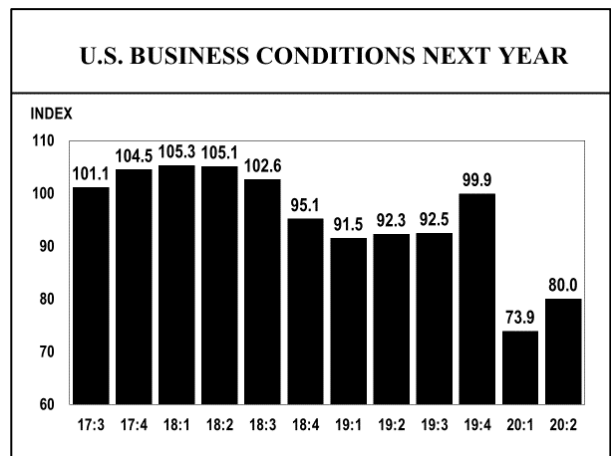
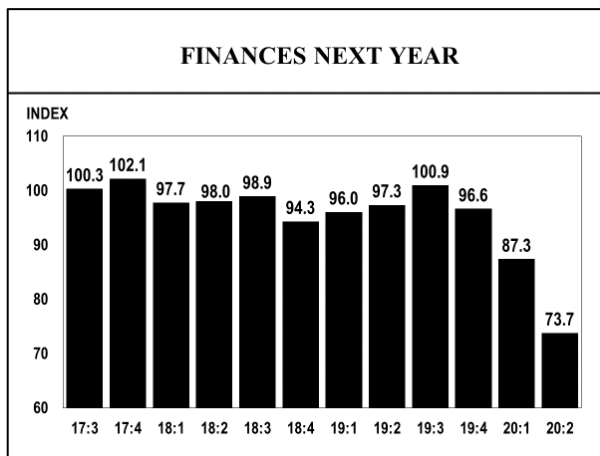
PRESS RELEASE

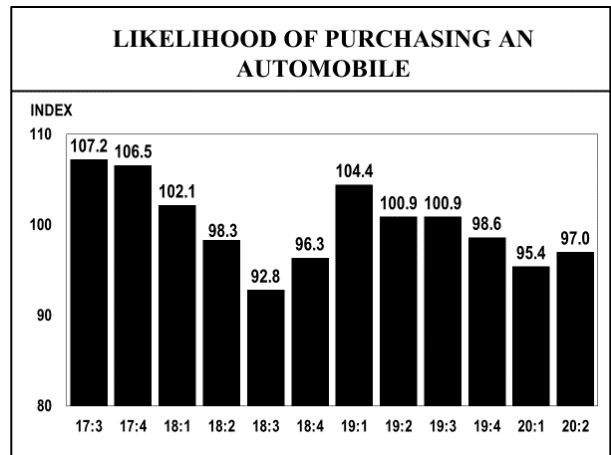
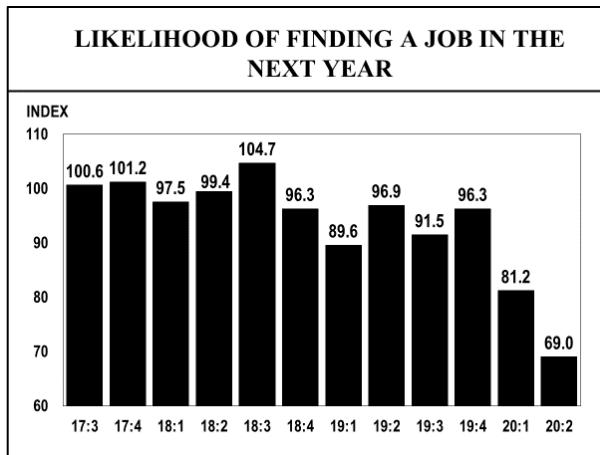
**ORANGE COUNTY CONSUMER SENTIMENT
CONTINUES DOWNWARD SPIRAL**

ORANGE, CA — The Chapman Orange County Consumer Sentiment Index fell from a value of 77.7 in the first quarter of 2020 to a value of 66.8 in the second quarter of 2020. The sentiment indicator declined 14 percent over the last quarter, and more than 40 percent since its recent peak value of 96.3 in the fourth quarter of 2019. Professor Marc Weidenmier of the Argyros School of Business and Economics at Chapman University expressed serious concerns about the economic damage of COVID-19. “The virus has severely damaged economic activity in the United States and Orange County. Policymakers need to start thinking about opening up the economy faster while implementing sensible and effective health policies to mitigate the effects of the coronavirus. Otherwise, the economic and social costs of the stay-at-home policies may trump the costs of COVID-19.”

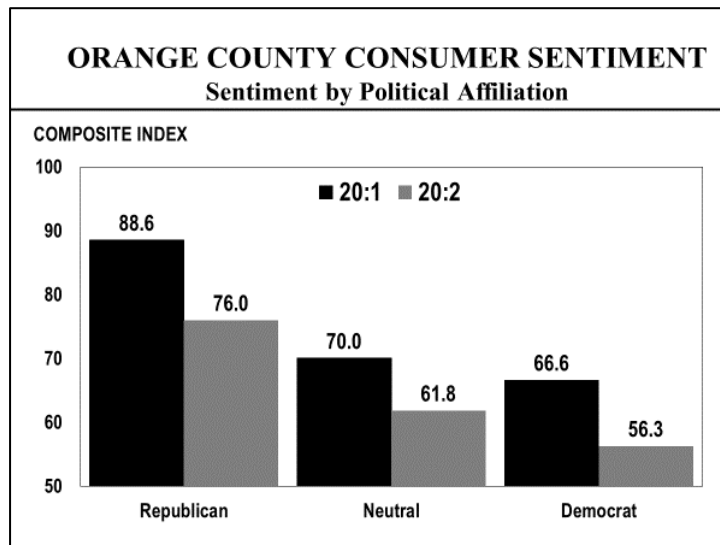


The OC Consumer Sentiment Index, which is jointly produced by Chapman University and Claremont McKenna College, is calculated based on responses to seven questions by a random survey of 500 Orange County residents about local and national economic and financial conditions. As for finances next year, respondents had 16.6 percent lower sentiment. Bucking the downward trend, sentiment was 8.3 percent higher for business conditions next year. The effect of business conditions on the household depends on whether we are looking at the current year or next year. For the present time, respondents recorded a 28.4 percent decline in sentiment. But for next year, sentiment actually rose 2.2 percent. Current business conditions compared to last year registered the largest decline in the survey, plummeting more than 69 percent. Respondents also expressed nearly a 15 percent decrease in sentiment for finding a job in the next year and slightly higher sentiment for purchasing a car in the next year (1.7 percent higher). Overall, survey participants continue to show low levels of consumer sentiment about current economic conditions while remaining more positive about the future.





As for demographics, there are a couple of changes to note. Individuals making \$150,000 or more had a 15.7 percent drop in consumer sentiment. This suggests that even high income families are starting to feel the pinch of the economic downturn. Survey participants between the ages of 55 and 64 saw a 34.6 percent decline in consumer sentiment. This group appears to have grown quite concerned about future economic conditions and the coronavirus. Finally, political affiliation once again seems to have an important impact on how people perceive current economic conditions. Survey respondents leaning Republican have a consumer sentiment reading of 76.0 while OC residents leaning Democratic report a consumer sentiment index value of only 56.3 percent.



Orange County residents are rightly concerned about the current economic and financial conditions. It will be interesting to see if Orange County continues to be more optimistic about the future. This will largely depend on the tough balancing act faced by policymakers. How fast can we open the economy while enacting effective healthcare policies that prevent a second wave of COVID-19 and a double dip in economic activity?

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