

Ask Alabama Poll Results

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WINTER 2010 POLL RELEASE #1

PRESS RELEASE

Alabama consumers turn pessimistic about economic recovery.

Auburn, February 3, 2010: A recent Ask Alabama poll found an increasing level of pessimism among Alabamians regarding the economy. Only 44 percent of respondents told Auburn University pollsters that the economy will improve over the next 12 months, reflecting a drop of 11 percentage points since a comparable poll was taken last July.

The rising pessimism of consumers was the key finding of a telephone poll of 615 adults taken Jan. 4-14 by Auburn University's Center for Governmental Services.

Alabama residents saying that they are "struggling to make ends meet" also edged up slightly, from 42 percent last July to 46 percent in the latest poll.

Auburn researchers combined consumers' perceptions of their current economic situation and their expectations for the future into a single "Index of Alabama Consumer Sentiment." The current index scores classify only 26 percent of the state's residents as wholly negative about the economy, unchanged from last July.

"While there was a dip in optimism about the future, many Alabama families seem to be reaching a point where they are at least living somewhat comfortably as they ride out the recession," said Don-Terry Veal, director of Auburn University's Center for Governmental Services.

Overall, a narrow majority of the residents polled described their present financial situation as either "doing better than ever," 2.9 percent, or living comfortably, 49.6 percent.

The Ask Alabama poll results have a margin of error of ± 4 percentage points.

As Alabama retailers know, the recession is slowing sales. The latest Ask Alabama poll documented that trend, showing that 51 percent of consumers spent less for Christmas 2009 holiday gifts than they spent a year earlier.

Purchases declined most among low income householders, or those with incomes of \$30,000 or less, who spent 64 percent less; Southeast Alabama residents, who spent 59 percent less; African-Americans, who spent 58 percent less; and women, who spent 56 percent less. Even among the most affluent households, 41 percent spent less in 2009.

Ask Alabama polls are conducted by the Center for Governmental Services, a unit of Auburn University Outreach that provides research, consulting and training to government agencies, not-for-profit associations and private sector clients.

Ask Alabama Poll Results

www.askalabama.org



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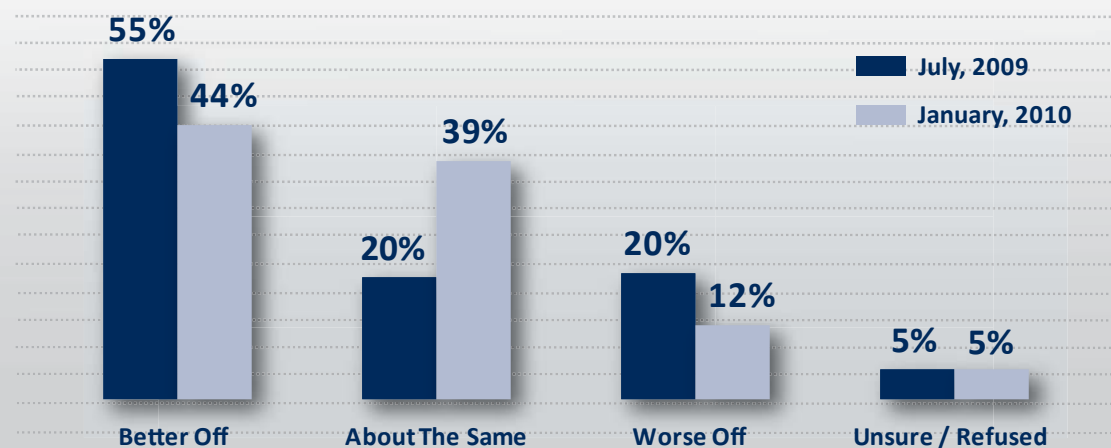
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Only 44% of Alabama adults expect the economy to improve.

Question

Looking ahead, do you expect that at this time next year you will be financially better off than now, or worse off than now?

CONSUMER CONFIDENCE



MORE RESULTS

46% of Alabama residents say they are struggling to make ends meet.

Which of the following best describes the present overall financial situation of your family and household today?

	July	January
DOING BETTER THAN EVER	5%	3%
LIVING COMFORTABLY	52%	50%
STRUGGLING TO MAKE ENDS MEET	42%	46%
UNSURE / REFUSED	1%	2%

Due to rounding, some charts may not sum to 100%.

26% of the state's residents are wholly negative about the economy.

Index of Alabama Consumer Sentiment

This index combines consumer perceptions of their current economic situation and their expectations for the futures.

	July	January
POSITIVE	47%	47%
NEGATIVE	26%	26%
MIXED	27%	27%

Present Financial Situation

Better Than Ever = B₁
 Living Comfortably = C₁
 Struggling to Make Ends Meet = S₁

Future Expectation

Better Off = B₂
 About the Same = S₂
 Worse Off = W₁

$$\text{POSITIVE} = [B_1 + (B_2 \text{ or } S_2)] \text{ or } [C_1 + (B_2 \text{ or } S_2)]$$

$$\text{NEGATIVE} = [S_1 + (S_2 \text{ or } W_1)] \text{ or } [C_1 + W_1]$$

MIXED = all other

51% of consumers spent less on holiday gifts than they spent a year earlier.

Compared to last Christmas holiday shopping season, did you spend more this year on Christmas and holiday gifts?

MORE	13%
SAME AMOUNT	35%
LESS	51%
UNSURE / REFUSED	1%

The Ask Alabama survey results are based on telephone interviews conducted with a stratified random sample of 614 adult householders in Alabama from January 4 to January 14, 2009. The sample was chosen so as to ensure that each region of the state was represented in proportion to its population. The sample's geographic, gender, race, and age distributions were weighted to be proportionate to the United States Census Bureau's data for Alabama's adult (18+ years of age) householders. The survey has a margin of error of ±4 percentage points.