



Anchorage Consumer Optimism Index

ANCI

2013 Q1

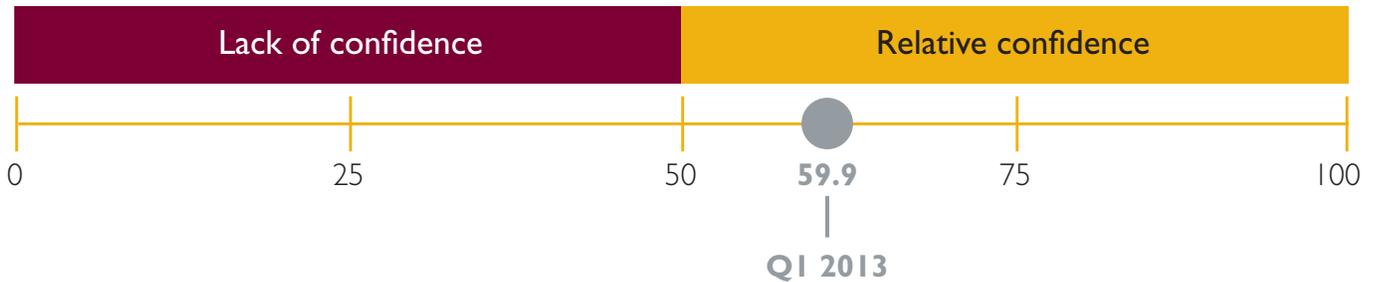
Sponsored by:



DESCRIPTION

The ANCI is a measure of **Anchorage households' confidence in the health of the local economy, their personal financial situation, and their expectations for the future.** Northern Economics, Inc. generates the ANCI using data collected by a random quarterly sample of at least **350 households** located in the Municipality of Anchorage. The survey sample includes households with landlines, those with landlines and cell phones, and those households which only use cell phones. The analysis weighs all responses for demographic factors such as gender, age and income to insure the sample's responses are representative of Anchorage's population.

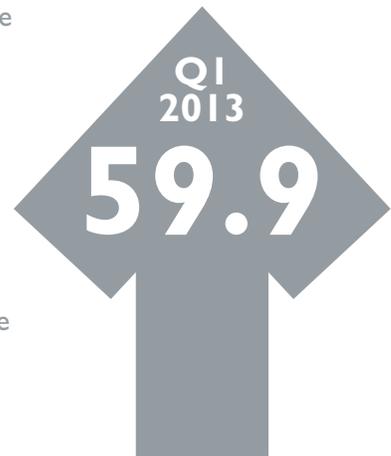
The ANCI is expressed using a value of 0 to 100. **Values above 50 represent relative confidence in the economy, while values below 50 indicate lack of confidence.** The farther the ANCI is from the midpoint the stronger the aggregate feeling of confidence or lack thereof.



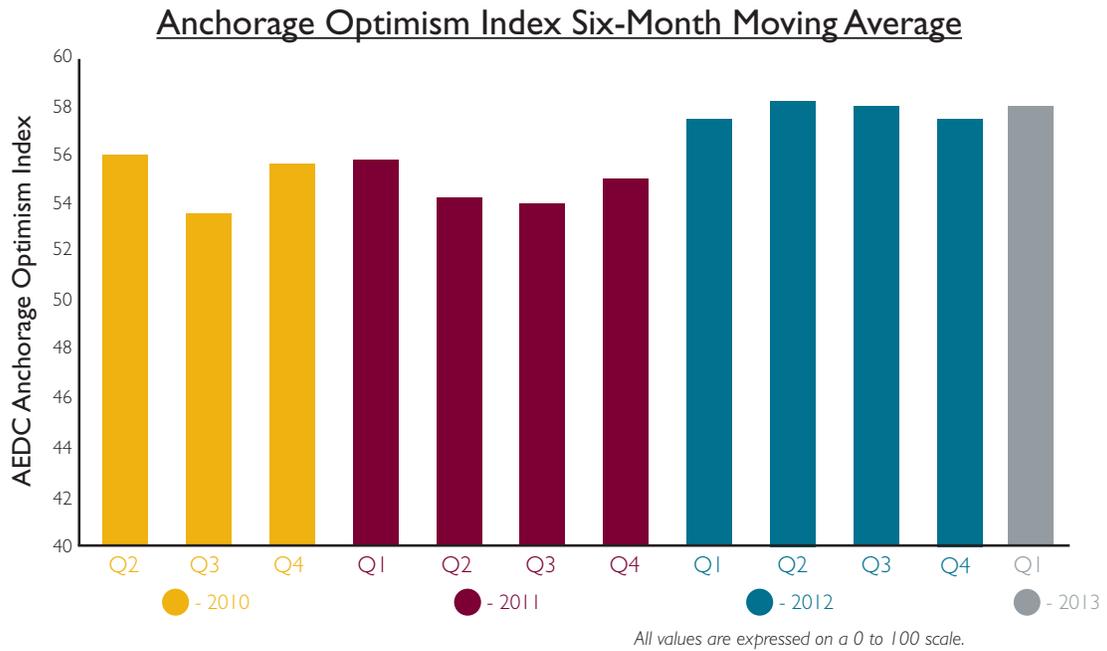
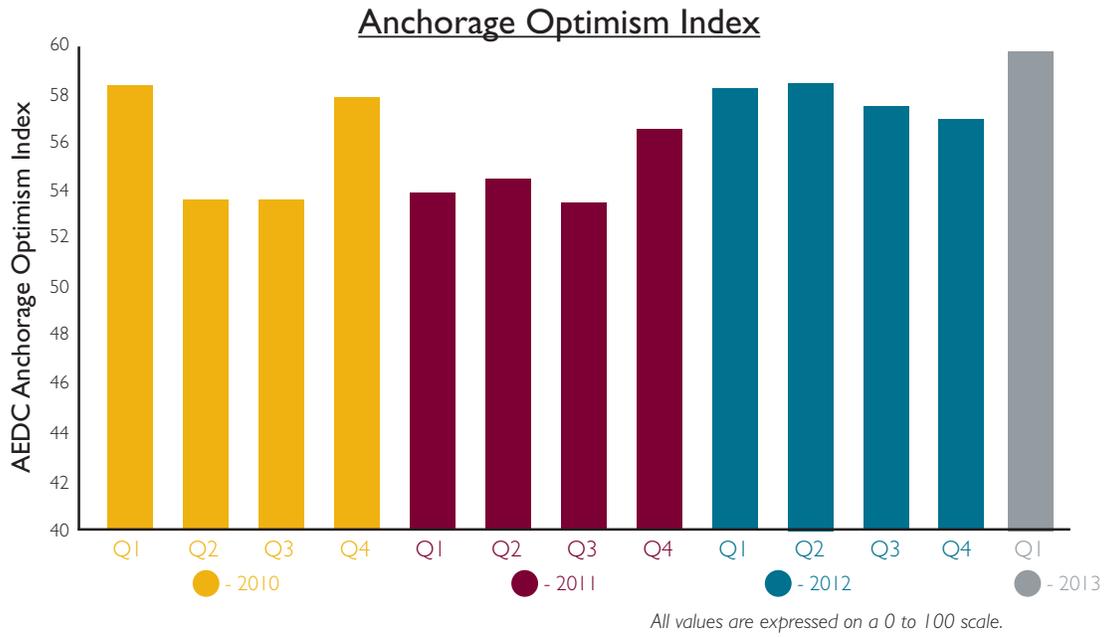
RESULTS

In Q1 2013, the ANCI rose to a record high of 59.9, up from 57.0 in the fourth quarter of 2012 and breaking the prior record high of 58.4 set in the second quarter of 2012.

The more stable six-month moving average of the index rose 0.6 points to 57.9, a reading that is the third highest in the history of the index. During the administration of this survey, U.S. consumer confidence was on a climb after dropping at the end of 2012, though U.S. indices are giving mixed messages as we enter into the second quarter. The Conference Board's Consumer Confidence Index® showed a large increase in April compared to March, while the University of Michigan's Consumer Sentiment Index fell in April.



RESULTS CONT.



2013 ANCI



2012 ANCI



COMPONENTS

The ANCI is comprised of three individual components: **Local Economy Confidence**, **Personal Financial Confidence**, and **Expectations for the Future**.

Local Economy Confidence, the most direct measure of respondents' feelings about the current state of the Anchorage economy.

"Anchorage residents continue to express explicit confidence in their local community's economy."

Local Economy Confidence, the most direct measure of respondents' feelings about the current state of the Anchorage economy, **currently sits at 61.7**. This reading is the highest seen, and a full 1.2 points above the average level in 2012. This component has never measured less than 55 in the history of the survey. In short, Anchorage residents continue to express explicit confidence in their local community's economy. This component is by far the least volatile of the three included in the survey with 40 to 45 percent less volatility than the other two components.

Personal Financial Confidence component is the strongest component in the ANCI:

"... a continued low rate of unemployment in Anchorage has meant residents have had a high level of participation in the economy."

The *Personal Financial Confidence* component is the strongest component in the ANCI. It rose nearly three points from the fourth quarter of 2012 to reach **64.8**, concurrent with strong performance in the stock market, though it was still below the all-time high of 65.9 one year ago.

Likewise, Northern Economics' statewide index saw a strong increase in Q1 2013, **bringing it to the highest level since Q1 2010**. Unlike the Local Economy Confidence component, which is in some ways residents' outside view of the local economy, Personal Financial Confidence measures residents' ability to participate in the local economy through their personal finances. The continued low rate of unemployment in Anchorage has meant residents have had a high level of participation in the economy both as employees and consumers.

The ANCI's *Expectations of the Future* component **currently measures 54.5**, another record for the history of the index, exceeding the previous high of 54.0 set in the second quarter of 2012. Though Northern Economics sees uncertainty on the horizon, residents have maintained a more positive outlook over the last year, likely due to several positive advances such as reaching some resolution of federal funding and fiscal cliff issues, and positive news about Cook Inlet gas supplies and North Slope oil investment.

Expectations of the Future: Residents have maintained a more positive outlook over the last year. Likely this is due to:

- Reaching some resolution of federal funding & fiscal cliff issues
- Positive news about Cook Inlet gas supplies
- North Slope oil investment

AEDC Anchorage Optimism Index

Component	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Local Economic Confidence	59.8	55.7	55.7	59.5	57.2	58.8	58.7	60.1	60.6	61.3	59.4	60.9	61.7
Personal Financial Confidence	67.3	60.8	60.8	65.2	62.9	61.4	61.8	63.7	65.9	64.2	65.1	61.9	64.8
Future Expectations	52.9	48.8	48.8	52.9	47.5	48.6	46.6	50.8	52.9	54.0	52.9	52.7	54.5
AEDC ANCI Total Measure	58.2	53.5	53.5	57.7	53.8	54.3	53.4	56.4	58.1	58.4	57.6	57.0	59.9
Six Month Moving Average		55.9	53.5	55.6	55.7	54.1	53.9	54.9	57.2	58.2	58.0	57.3	57.9
All values are expressed on a 0 to 100 scale.													
		● 2010			● 2011				● 2012				● 2013