



Anchorage Consumer Optimism Index

ANCI

2013 Q4

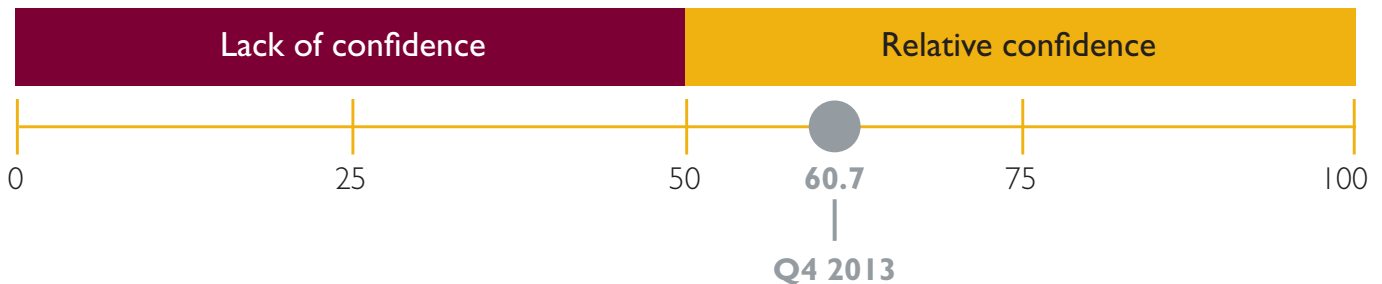
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DESCRIPTION

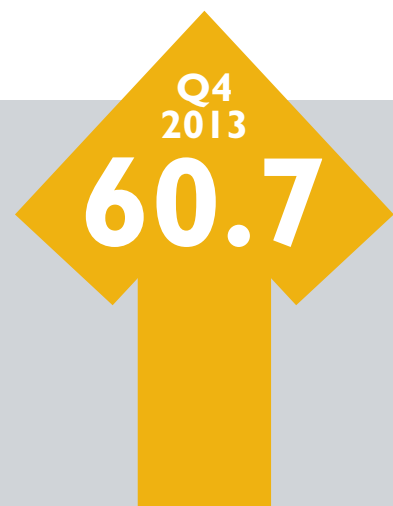
The ANCI is a measure of **Anchorage households' confidence in the health of the local economy, their personal financial situation, and their expectations for the future.** Northern Economics, Inc. generates the ANCI using data collected by a random quarterly sample of at least **350 households** located 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.



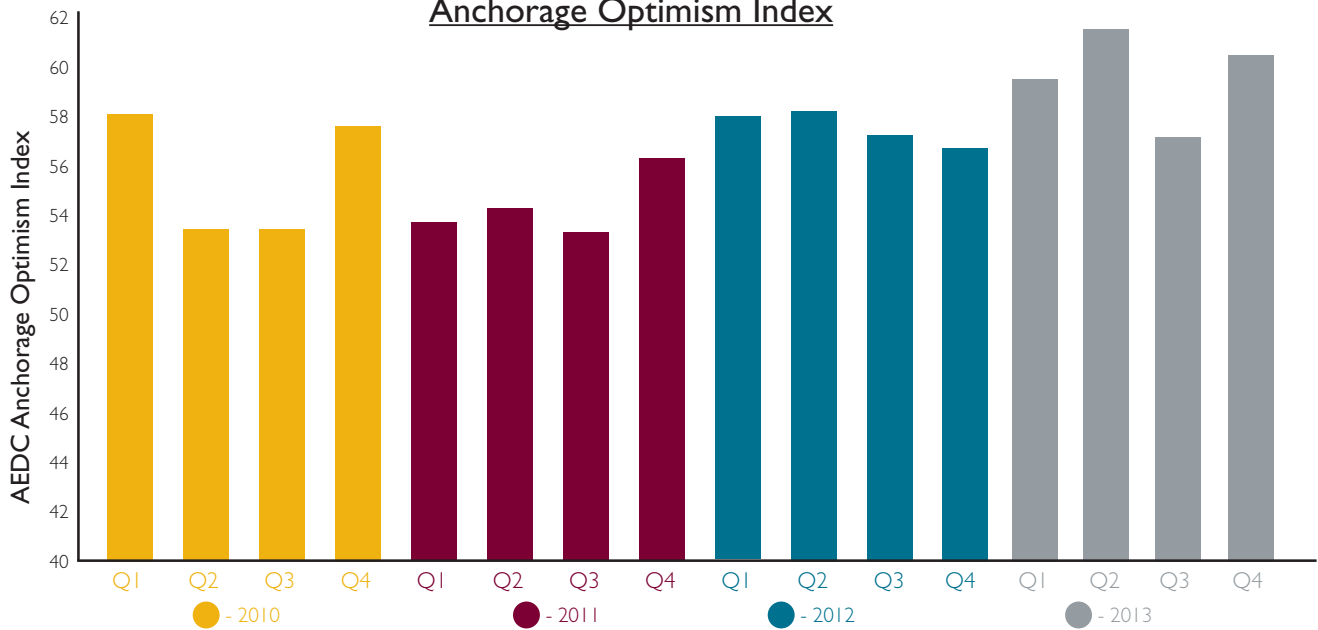
RESULTS

In Quarter 4 of 2013, the ANCI rose sharply to 60.7 from 57.1 in Q3, nearly reaching the all-time high of 61.4, set in Q2 of 2013. **The more stable six-month moving average of the index fell modestly by 0.4 points to 58.9**, placing it in third place of the highest readings over the life of the index. During the administration of this survey, U.S. consumer confidence also rebounded. The Conference Board's Consumer Confidence Index® rebounded in December after a drop in November, including increases in both expectations and present sentiment. The University of Michigan's Consumer Sentiment Index was also sharply up in December due to an improved economic outlook.



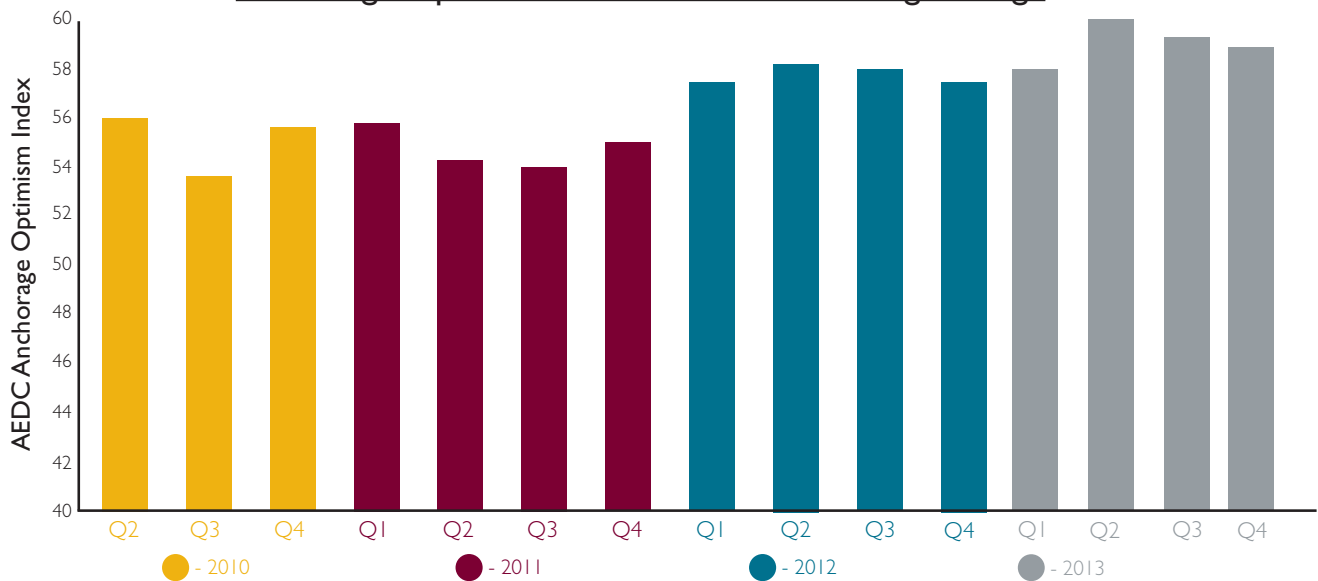
RESULTS CONT.

Anchorage Optimism Index



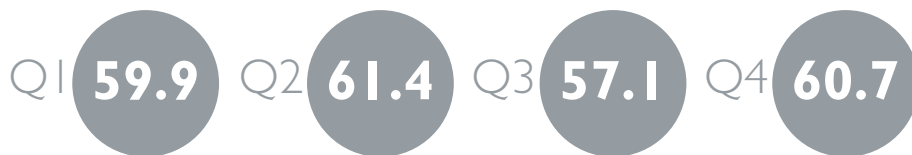
All values are expressed on a 0 to 100 scale.

Anchorage Optimism Index Six-Month Moving Average

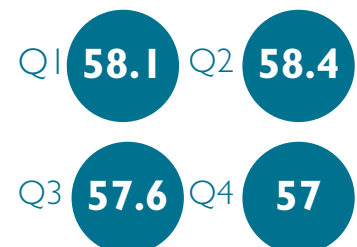


All values are expressed on a 0 to 100 scale.

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 regained confidence in their local community's economy, and finished another year of higher confidence overall."

Local Economy Confidence, the most direct measure of respondents' feelings about the current state Anchorage economy, **increased by 2.6 points to 62.9**, exceeding the 62.4 average seen for the first three quarters of 2013. Anchorage residents regained confidence in their local community's economy, and finished another year of higher confidence overall.

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

"Resolution of the federal government shutdown, a strong stock market, and a positive economic outlook for 2014 have bolstered Anchorage residents' feelings about their personal financial well-being."

The *Personal Financial Confidence* component is the strongest of the three components of the ANCI. It jumped up 6 points from the third quarter of 2013 and hit 67.1 this quarter, nearly reaching the all-time high of 67.3 from when the survey started in the first quarter of 2010. Unlike the *Local Economy Confidence* component, *Personal Financial Confidence* measures residents' ability to participate in the local economy directly through their personal finances.

Resolution of the federal government shutdown, a strong stock market, and a positive economic outlook for 2014 have bolstered Anchorage residents' feelings about their personal financial well-being.

ANCI's *Expectations of the Future* component currently measures 56.4, placing second only to the all-time high of 56.8 from the second quarter of 2013. Residents' outlook continues to be strong.

Expectations of the Future: Residents' outlook continues to be strong.

The Anchorage Consumer Optimism Index Survey is compiled by Northern Economics on behalf of Anchorage Economic Development Corp. (AEDC).

If you are interested in learning more about this data or how AEDC can help you develop a report, call the AEDC Research Department at 907.258.3700.

AEDC, 510 L Street, Suite 603, Anchorage, AK 99501

AEDC Anchorage Optimism Index

Component	2010				2011				2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
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	65.3	60.3	62.9
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	66.6	61.1	67.1
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	56.8	53.6	56.4
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	61.4	57.1	60.7
Six Month Moving Average	55.9	53.5	53.5	55.6	55.7	54.1	53.9	54.9	57.2	58.2	58.0	57.3	57.9	60.1	59.3	58.9

All values are expressed on a 0 to 100 scale.

● 2010

● 2011

● 2012

● 2013