

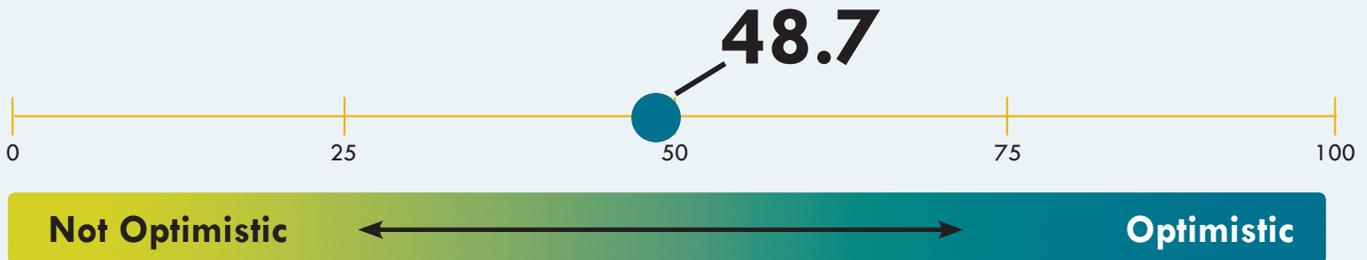
# Anchorage Consumer Optimism Index: Q3 2017

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Report compiled by: **NE**  
Northern  
Economics

The ANCI is a **measure of Anchorage households' optimism 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 optimism in the economy, while values below 50 indicate lack of optimism.** The farther the ANCI is from the midpoint, the stronger the aggregate feeling of optimism or lack thereof.



## RESULTS

In 2017 Q3, ANCI rose from the previous quarter's record low. The index landed at 48.7, up 1.2 points but still below the important level of 50. The more stable six-month moving average of the index fell to 48.1, however, the second new record low set this year.

During the same time, the U.S. consumer confidence was generally flat. The Conference Board's Consumer Confidence Index® rose 0.9 points from June to September, while the University of Michigan's Consumer Sentiment Index was flat. Both measures showed a small decline in the present situation and a small increase in expectations.

Fiscal concerns remain without concrete progress toward resolution, with the Alaska Legislature on recess prior to being called into another special session. Continued job losses in the private sector and a lack of certainty going forward continue to cast a shadow over Alaska's near-term future and what the economy may look like when the storm has passed. Indications are that the job losses are slowing, but this is not the same as a recovery.

Q3 2017  
**48.7**

## LOCAL ECONOMY CONFIDENCE - 47.6 OUT OF 100

47.6

*On a scale from 1 to 5, how would you rate current economic conditions in your community, where a 5 is very good and a 1 is very bad?*

Local Economy Confidence, the most direct measure of respondents' feelings about the current state of the Anchorage economy, recovered slightly, by 0.7 points, hitting 47.6 and confirming the survey data is in line with economists' warnings that Alaska, and Anchorage, are in a recession.



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## PERSONAL FINANCIAL CONFIDENCE - 62.0 OUT OF 100

62.0

*On a scale from 1 to 5, how secure do you feel about your and your family's financial situation, where a 5 is very secure and a 1 is not secure at all? And would you say your and your family's financial situation is getting better, getting worse or staying about the same?*

The Personal Financial Confidence component has always been the strongest and least volatile component of ANCI due to personal and family decisions being in the control of respondents. The component was flat this quarter, staying at 62.0.



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## FUTURE EXPECTATIONS - 42.6 OUT OF 100

42.6

*Do you think the economy in your community right now is getting better, getting worse, or staying about the same?*

ANCI's Expectations of the Future component regained the 2.0 points it lost last quarter, arresting the fall that had been seen since 2016 but still at a reading of 42.6 and solidly in recessionary territory.



## 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.

# AEDC ANCHORAGE OPTIMISM INDEX

Year	Local Economic Confidence	Personal Financial Confidence	Future Expectations	ANCI	6-Month Average
<b>2014</b>					
Q1	63.6	66.4	55.8	60.4	60.6
Q2	65.2	67.1	60.4	63.3	61.8
Q3	65.9	68.6	59.6	63.4	63.4
Q4	62.3	64.5	53.0	58.2	60.8
<b>2015</b>					
Q1	62.1	67.1	52.0	58.3	58.2
Q2	58.4	65.7	51.9	57.0	57.6
Q3	60.5	65.4	50.0	56.5	56.7
Q4	57.1	65.1	45.2	53.2	54.8
<b>2016</b>					
Q1	52.8	63.8	42.3	50.3	51.7
Q2	50.8	65.7	38.2	48.2	49.3
Q3	52.3	61.9	43.6	50.3	49.3
Q4	54.4	63.2	45.2	52.0	51.2
<b>2017</b>					
Q1	50.0	67.1	42.6	50.6	51.3
Q2	46.9	62.0	40.6	47.5	49.0
Q3	47.6	62.0	42.6	48.7	48.1

All values are expressed on a 0 to 100 scale.



The Anchorage Consumer Optimism Index (ANCI) 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