

THE GRANITE STATE POLL

UNIVERSITY OF NEW HAMPSHIRE

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CONSUMER CONFIDENCE IN NH SLIPS

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DURHAM, NH – New Hampshire consumers are bearish on the economic prospects of the state and of the country. Consumer confidence in New Hampshire has dropped significantly over the summer and early fall.

These findings are based on the latest **Granite State Poll**,[?] conducted by the University of New Hampshire Survey Center. The Granite State Poll is sponsored by the University of New Hampshire. Five hundred eleven (511) randomly selected adults were interviewed by telephone between October 25 and October 30, 2005. The margin of sampling error for the survey is +/-4.4 percent.

U.S. Business Conditions

Although the U.S. economy has been growing robustly over the past several quarters, New Hampshire residents are increasingly pessimistic about the short-term prospects of the U.S. economy. In the most recent Granite State Poll, only 34 percent of New Hampshire residents say they expect businesses in the U.S. will experience good times in the next 12 months, 47 percent anticipate bad times for U.S. businesses, and 19 percent think conditions will be mixed. As recently as July, 44 percent of New Hampshire residents expected good times for the U.S. economy and only 32 percent expected bad times. These figures are at their lowest level since the February, 2003. “The decline in consumer confidence in New Hampshire has likely due to the rise in gas and oil prices in the wake of hurricanes Katrina and Rita,” said Andrew Smith, Director of the UNH Survey Center. “As prices have come down, consumer confidence should rebound to reflect the underlying strength of the national and local economy.”

Granite Staters are also bearish about the long-term outlook for the U.S. economy. Thirty-five percent of New Hampshire residents believe that the U.S. economy will experience continuous good times over the next 5 years, 44 percent expect periods of widespread unemployment and depression, and 21 percent see a mix of good and bad conditions. The percentage who believe we will have widespread unemployment in the next 5 years is also at its highest level since February, 2003.

[?] We ask that this copyrighted information be referred to as *the Granite State Poll*, sponsored by the University of New Hampshire.

N.H. Business Conditions

In recent months, New Hampshire residents were much more optimistic about business conditions in New Hampshire than they were about conditions in the U.S. Currently, 48 percent of adults think New Hampshire will have good times economically in the next twelve months, 31 percent feel there will be bad times, and 22 percent foresee mixed conditions. Despite the decision to keep the Portsmouth Naval Shipyard open, the percentage of New Hampshire residents who expect good times for the New Hampshire economy over the next twelve months declined from 54 percent in the Summer 2005 Granite State Poll.

Personal Financial Conditions

Turning to people's personal financial situation, 40 percent of Granite Staters say they are better off now than they were a year ago, 31 percent say they are worse off, and 29 percent say things are about the same. The percentage who said they were better off has increased from 34 percent in the Summer Granite State Poll.

Thinking about their family finances a year from now, most people in New Hampshire think they will be in about the same financial shape as they are today. Thirty percent of New Hampshire residents believe they will be better off financially a year from now, 18 percent think they will be worse off and 52 percent think they will be about the same. The percentage of Granite Staters who think they will be better off one year from now is near all-time lows and has been unchanged since July.

A measure that may dampen expectations of retailers hoping for a strong holiday shopping season, New Hampshire residents say they are less likely to make major purchases. When asked about making major household purchases, 51 percent of New Hampshire adults feel that it is a good time to buy things such as furniture and appliances, 35 percent think it is a bad time, and 14 percent think it depends. This measure has dropped 12 percentage points since July and is at its lowest level since the Granite State Poll began in 2001.

Subgroup Analysis

There are few demographic differences in the economic expectations of New Hampshire residents, but there are meaningful political differences. Younger adults are more likely to say they are better off financially than they were a year ago and that they expect to be better off a year from now than are older adults, many of whom have recently retired or expect to retire soon. Upper income residents (those earning more than \$75,000 annually) report being in better financial shape now than a year ago. However, lower income residents are significantly more likely than others to say they are worse off now than they were a year ago.

Republicans and conservatives are consistently more optimistic about current and future economic conditions than are Democrats and liberals.

Granite State Poll Methodology

These findings are based on the most recent Granite State Poll conducted by the University of New Hampshire Survey Center from October 25 to October 30, 2005. A random sample of 511 New Hampshire adults was interviewed by telephone. In 95 of 100 cases, the statewide estimates will be accurate to plus or minus 4.4 percent. Results reported for other subgroups have potential for somewhat larger variation than those for the entire population.

The data have been weighted to adjust for numbers of adults and telephone lines within households, respondent sex, and region of the state. In addition to potential sampling error, all surveys have other potential sources of non-sampling error including question order effects, question wording effects, and non-response.

Business Conditions in U.S. in 12 Months

"Turning to business conditions in the country as a whole – do you think that during the next twelve months we'll have good times financially, or bad times, or what?"

	<u>Good Times</u>	<u>Mixed</u>	<u>Bad Times</u>	<u>(N=)</u>
Oct. '05 (Latest)	34%	19%	47%	(459)
July '05	44	23	32	(438)
Apr. '05	44	19	37	(450)
Feb. '05	54	20	26	(488)
July '04	52	21	26	(446)
Apr. '04	56	18	26	(468)
Feb. '04	53	16	31	(461)
Oct. '03	48	17	35	(455)
June '03	49	20	31	(491)
Apr. '03	48	15	37	(477)
Feb. '03	31	20	49	(606)
June '02	37	22	41	(599)
Apr. '02	52	22	26	(484)
Feb. '02	49	19	32	(300)
Oct. '01	25	27	49	(493)

5 Year Economic Outlook - U.S.

"Looking ahead, which would you say is more likely – that in the country as a whole we will have continuous GOOD TIMES during the next FIVE YEARS or so, or that we will have periods of WIDESPREAD UNEMPLOYMENT or DEPRESSION, or what?"

	<u>Continuous Good Times</u>	<u>Mixed</u>	<u>Depression/ Unemployment</u>	<u>(N=)</u>
Oct. '05 (Latest)	35%	21%	44%	(460)
July '05	41	21	39	(461)
Apr. '05	40	19	40	(455)
Feb. '05	43	19	37	(497)
July '04	49	15	36	(431)
Apr. '04	45	17	38	(467)
Feb. '04	39	22	39	(454)
Oct. '03	42	16	42	(457)
June '03	40	19	41	(479)
Apr. '03	43	20	38	(470)
Feb. '03	32	22	46	(607)
June '02	31	27	42	(603)
Apr. '02	41	22	37	(463)

Business Conditions in New Hampshire in 12 Months

"Turning to business conditions in the New Hampshire as a whole – do you think that during the next twelve months we'll have good times financially, or bad times, or what?"

	<u>Good Times</u>	<u>Mixed</u>	<u>Bad Times</u>	<u>(N=)</u>
Oct. '05 (Latest)	48%	22%	31%	(431)
July '05	54	22	25	(429)
Apr. '05	56	19	25	(433)
Feb. '05	60	21	19	(453)
July '04	59	21	20	(444)
Apr. '04	58	20	22	(457)
Feb. '04	54	17	29	(448)
Oct. '03	52	19	28	(449)
June '03	50	17	32	(485)
Apr. '03	48	16	35	(462)
Feb. '03	41	19	40	(577)
June '02	52	21	27	(588)
Apr. '02	58	20	22	(462)

Household Financial Condition Compared to 12 Months Ago

"We are interested in how people are getting along financially these days. Would you say that you and your family living there are BETTER OFF or WORSE OFF financially than you were a year ago?"

	<u>Better Off</u>	<u>About the Same</u>	<u>Worse Off</u>	<u>(N=)</u>
Oct. '05 (Latest)	40%	29%	31%	(503)
July '05	34	35	31	(500)
Apr. '05	41	29	30	(493)
Feb. '05	37	36	27	(537)
July '04	40	34	25	(495)
Apr. '04	45	32	23	(538)
Feb. '04	34	38	28	(503)
Oct. '03	36	32	32	(496)
June '03	35	28	36	(514)
Apr. '03	36	30	34	(504)
Feb. '03	30	29	40	(647)
June '02	38	33	29	(650)
Apr. '02	40	29	31	(507)

Household Financial Condition 12 Months From Now

"Now, looking ahead – do you think that a year from now you and your family will be better off financially ... or worse off ... or just about the same?"

	<u>Better Off</u>	<u>About the Same</u>	<u>Worse Off</u>	<u>(N=)</u>
Oct. '05 (Latest)	30%	52%	18%	(481)
July '05	29	56	16	(489)
Apr. '05	32	52	15	(485)
Feb. '05	36	55	9	(524)
July '04	37	54	9	(477)
Apr. '04	38	54	8	(509)
Feb. '04	37	52	10	(488)
Oct. '03	32	59	9	(486)
June '03	35	54	10	(501)
Apr. '03	42	49	9	(489)
Feb. '03	34	55	11	(622)
June '02	33	57	10	(625)
Apr. '02	38	55	7	(479)
Feb. '02	35	56	10	(305)
Oct. '01	26	62	13	(500)

Good Time to Buy Major Household Item

"Now thinking about the big things people buy for their home – such as furniture, a refrigerator, a stove, television and things like that. Generally speaking, do you think now is a good time or a bad time for people to buy major household items?"

	<u>Good Time</u>	<u>Pro-Con</u>	<u>Bad Time</u>	<u>(N=)</u>
Oct. '05 (Latest)	51%	14%	35%	(456)
July '05	63	14	22	(441)
Apr. '05	64	15	21	(446)
Feb. '05	70	13	18	(478)
July '04	67	12	21	(456)
Apr. '04	71	9	20	(487)
Feb. '04	58	15	28	(462)
Oct. '03	65	14	21	(468)
June '03	63	14	23	(475)
Apr. '03	60	12	28	(487)
Feb. '03	53	16	31	(600)
June '02	68	10	22	(613)
Apr. '02	71	11	18	(480)
Feb. '02	65	10	26	(298)
Oct. '01	63	15	22	(506)

Personal Financial Condition Compared to 1 Year Ago

STATEWIDE	<u>Better Off</u> 40%	<u>About</u> <u>The Same</u> 29%	<u>Worse Off</u> 31%	<u>(N)</u> 503
Democrat	29	34	37	202
Independent	33	27	40	85
Republican	55	26	19	198
Liberal	35	29	35	114
Moderate	39	30	31	195
Conservative	46	31	24	151
Union household	37	38	25	66
Non-union	41	28	31	426
18 to 34	62	18	20	91
35 to 49	46	26	28	177
50 to 64	32	32	36	150
65 and over	15	49	36	69
Male	47	28	25	245
Female	34	30	36	258
High school or less	37	31	32	120
Some college	39	27	34	107
College graduate	45	29	26	166
Post-graduate	38	31	31	104
Less than \$30K	18	39	43	44
\$30K to \$60K	39	26	35	93
\$60K to \$75K	46	25	29	68
\$75K to \$100K	52	20	28	65
More than \$100K	51	30	19	99
Married	43	30	27	337
Divorced/separated	23	34	42	93
Never married	49	19	32	68
Protestant	41	31	27	197
Catholic	39	28	33	174
Other	40	28	33	108
Attend 1 or more/week	42	33	24	122
1-2 times a month	38	32	29	72
Less often	38	30	31	166
Never	41	23	36	127
Northern NH	41	29	31	42
Central/Lakes	28	33	40	77
Connecticut Valley	42	29	29	69
Massachusetts Border	41	26	33	121
Seacoast	36	36	29	89
Greater Manchester	52	24	24	106
1st Cong. District	42	28	29	281
2nd Cong. District	38	30	32	222
1st E.C. District	45	29	26	96
2nd E.C. District	32	31	37	100
3rd E.C. District	38	36	26	101
4th E.C. District	50	21	28	113
5th E.C. District	35	29	36	91

HH Finances in 12 Months From Now

STATEWIDE	<u>Better Off</u> 30%	<u>Worse Off</u> 18%	<u>About</u> <u>the Same</u> 52%	<u>(N)</u> 481
Democrat	19	24	57	194
Independent	16	19	65	80
Republican	47	11	41	191
Liberal	28	21	52	112
Moderate	25	20	55	188
Conservative	40	12	49	141
Union household	20	17	63	65
Non-union	32	18	50	407
18 to 34	39	8	52	93
35 to 49	35	15	50	171
50 to 64	25	24	51	142
65 and over	12	29	59	61
Male	36	15	48	232
Female	25	20	55	249
High school or less	28	17	55	112
Some college	28	19	53	102
College graduate	32	19	49	162
Post-graduate	30	15	54	101
Less than \$30K	18	27	55	39
\$30K to \$60K	28	17	55	90
\$60K to \$75K	36	8	56	66
\$75K to \$100K	30	20	50	64
More than \$100K	34	17	48	98
Married	35	17	48	326
Divorced/separated	15	26	60	84
Never married	28	9	63	68
Protestant	36	15	49	193
Catholic	24	20	57	169
Other	29	19	52	96
Attend 1 or more/week	34	14	52	115
1-2 times a month	28	20	52	74
Less often	30	18	52	163
Never	26	22	52	116
Northern NH	23	15	62	38
Central/Lakes	28	18	54	71
Connecticut Valley	36	18	46	66
Massachusetts Border	29	24	47	116
Seacoast	30	15	55	89
Greater Manchester	34	13	53	102
1st Cong. District	31	16	53	272
2nd Cong. District	30	20	50	209
1st E.C. District	31	17	52	92
2nd E.C. District	31	19	50	94
3rd E.C. District	27	17	56	101
4th E.C. District	32	16	52	107
5th E.C. District	31	20	49	87

Business Conditions in NH 12 Months From Now

STATEWIDE	<u>Good Times</u> 48%	<u>Some Good- Some Bad</u> 22%	<u>Bad Times</u> 31%	<u>(N)</u> 431
Democrat	33	27	40	169
Independent	33	29	38	72
Republican	68	14	18	181
Liberal	31	35	35	97
Moderate	46	23	31	171
Conservative	65	12	23	135
Union household	48	24	28	55
Non-union	48	22	30	369
18 to 34	49	20	31	76
35 to 49	45	24	30	162
50 to 64	47	18	34	130
65 and over	52	25	23	56
Male	53	21	27	223
Female	42	23	35	209
High school or less	44	19	36	104
Some college	53	17	30	90
College graduate	46	25	29	148
Post-graduate	50	23	27	86
Less than \$30K	40	27	33	39
\$30K to \$60K	55	15	29	80
\$60K to \$75K	53	16	31	61
\$75K to \$100K	51	25	24	56
More than \$100K	49	24	28	88
Married	50	22	28	290
Divorced/separated	43	19	38	80
Never married	41	24	35	59
Protestant	48	25	27	167
Catholic	51	17	33	155
Other	43	26	32	92
Attend 1 or more/week	63	10	27	101
1-2 times a month	48	25	27	63
Less often	39	29	32	147
Never	44	21	36	112
Northern NH	48	14	38	38
Central/Lakes	49	18	33	65
Connecticut Valley	42	24	33	60
Massachusetts Border	51	23	26	101
Seacoast	46	29	26	75
Greater Manchester	48	18	34	92
1st Cong. District	49	22	29	247
2nd Cong. District	46	21	33	184
1st E.C. District	48	18	34	87
2nd E.C. District	43	23	35	82
3rd E.C. District	47	30	23	87
4th E.C. District	55	15	30	97
5th E.C. District	44	23	32	78

Business Conditions in US in 12 Months From Now

STATEWIDE	<u>Good Times</u> 34%	<u>Some Good-Some Bad</u> 19%	<u>Bad Times</u> 47%	<u>(N)</u> 459
Democrat	16	16	67	182
Independent	20	28	52	78
Republican	56	18	26	184
Liberal	20	16	64	105
Moderate	27	22	51	179
Conservative	54	16	30	141
Union household	36	14	50	63
Non-union	34	20	46	388
18 to 34	37	16	48	81
35 to 49	38	18	43	169
50 to 64	27	22	51	136
65 and over	29	20	51	62
Male	41	18	41	227
Female	27	19	53	232
High school or less	37	14	49	113
Some college	27	25	47	90
College graduate	35	19	46	155
Post-graduate	35	17	48	98
Less than \$30K	30	19	51	39
\$30K to \$60K	33	23	44	84
\$60K to \$75K	35	12	52	63
\$75K to \$100K	30	18	51	59
More than \$100K	38	12	50	94
Married	37	20	44	310
Divorced/separated	25	17	58	83
Never married	32	17	51	62
Protestant	35	29	37	177
Catholic	35	12	53	162
Other	28	14	57	99
Attend 1 or more/week	44	17	39	108
1-2 times a month	42	15	43	70
Less often	24	26	50	153
Never	30	14	55	116
Northern NH	22	26	52	39
Central/Lakes	30	22	48	67
Connecticut Valley	37	18	45	67
Massachusetts Border	34	19	47	106
Seacoast	38	16	46	80
Greater Manchester	35	16	49	99
1st Cong. District	36	19	44	258
2nd Cong. District	31	18	51	201
1st E.C. District	34	19	47	91
2nd E.C. District	28	21	52	89
3rd E.C. District	35	21	44	90
4th E.C. District	39	14	48	103
5th E.C. District	33	21	46	85

U.S. 5 Year Economic Outlook

STATEWIDE	<u>Continuous Good Times</u> 35%	<u>Mixed</u> 21%	<u>Widespread Unemployment/ Depression</u> 44%	<u>(N)</u> 460
Democrat	15	24	61	182
Independent	27	19	55	77
Republican	57	20	24	185
Liberal	20	20	59	109
Moderate	31	26	43	176
Conservative	50	16	34	143
Union household	33	20	47	65
Non-union	35	21	43	386
18 to 34	46	14	40	83
35 to 49	36	23	40	164
50 to 64	30	22	48	141
65 and over	23	22	56	59
Male	47	21	33	226
Female	24	21	55	233
High school or less	37	11	52	110
Some college	26	22	52	92
College graduate	40	26	35	154
Post-graduate	33	23	44	98
Less than \$30K	14	17	70	40
\$30K to \$60K	29	22	49	88
\$60K to \$75K	42	20	38	66
\$75K to \$100K	28	14	57	61
More than \$100K	44	20	36	90
Married	38	24	38	310
Divorced/separated	20	19	61	84
Never married	43	8	49	62
Protestant	41	24	35	177
Catholic	31	16	53	162
Other	27	26	47	99
Attend 1 or more/week	43	21	36	114
1-2 times a month	36	16	48	68
Less often	35	18	47	151
Never	25	27	48	112
Northern NH	30	13	57	34
Central/Lakes	33	18	49	69
Connecticut Valley	33	25	42	68
Massachusetts Border	28	27	45	110
Seacoast	43	22	35	77
Greater Manchester	41	15	44	103
1st Cong. District	39	18	42	256
2nd Cong. District	30	24	46	204
1st E.C. District	38	10	52	86
2nd E.C. District	33	24	43	92
3rd E.C. District	37	24	39	88
4th E.C. District	36	19	45	110
5th E.C. District	32	28	41	83

Good Time To Buy Major Household Item

STATEWIDE	<u>Good Time</u> 51%	<u>Pro-Con</u> 14%	<u>Bad Time</u> 35%	<u>(N)</u> 456
Democrat	37	16	47	177
Independent	47	19	34	78
Republican	67	10	23	187
Liberal	44	12	44	99
Moderate	51	13	36	180
Conservative	59	14	27	140
Union household	52	8	39	64
Non-union	51	15	34	385
18 to 34	55	10	35	83
35 to 49	57	11	32	169
50 to 64	41	15	44	132
65 and over	52	24	24	60
Male	58	13	28	225
Female	44	14	41	231
High school or less	51	14	34	107
Some college	49	14	37	104
College graduate	52	12	36	148
Post-graduate	52	15	33	92
Less than \$30K	46	17	36	38
\$30K to \$60K	52	18	30	89
\$60K to \$75K	49	13	38	66
\$75K to \$100K	60	10	30	60
More than \$100K	49	8	43	84
Married	53	11	35	303
Divorced/separated	43	24	34	87
Never married	54	10	36	61
Protestant	56	13	32	178
Catholic	49	14	37	167
Other	43	16	41	92
Attend 1 or more/week	58	15	28	117
1-2 times a month	49	11	40	62
Less often	54	14	32	153
Never	40	14	46	113
Northern NH	41	15	44	35
Central/Lakes	45	20	35	69
Connecticut Valley	67	11	22	64
Massachusetts Border	47	13	40	110
Seacoast	53	14	33	79
Greater Manchester	53	12	35	98
1st Cong. District	49	14	37	256
2nd Cong. District	54	13	33	199
1st E.C. District	47	18	35	84
2nd E.C. District	52	13	35	88
3rd E.C. District	51	18	31	93
4th E.C. District	51	10	39	109
5th E.C. District	56	11	34	82