

THE GRANITE STATE POLL

NH CONSUMER EXPECTATIONS BEARISH

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www.unh.edu/survey-center

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DURHAM, NH -- New Hampshire residents are pessimistic about the future performance of the nation's and the state's business conditions. However, their expectations for their personal financial conditions are somewhat rosier.

These findings are based on the latest **Granite State Poll**, conducted by the University of New Hampshire Survey Center. The University of New Hampshire sponsors the Granite State Poll. Six hundred fifty-two (652) New Hampshire adults were interviewed between February 4 and February 12, 2003 (margin of sampling error, +/-3.8 percent). For more detailed results and methodology, visit the Survey Center web site at www.unh.edu/survey-center and click on Press Releases.

U.S. & New Hampshire Business Conditions

With uncertainty over a potential war with Iraq, a stock market that is still far below levels of two years ago, rising unemployment, and high energy prices, residents of New Hampshire are pessimistic about the near term future of the U.S. and New Hampshire economies. In the most recent **Granite State Poll**, less than one-third (31%) of New Hampshire residents expect that businesses in the U.S. will experience good times in the next 12 months, 49% percent anticipate bad times for U.S. businesses, and 20% think conditions will be mixed. Granite Staters' bearish outlook on the U.S. economy began sometime in the summer of 2002 and has not shown signs of lifting.

When asked about the longer term prospects for the U.S. economy, 46% of New Hampshire residents believe that the U.S. economy will experience periods of widespread unemployment and depression over the next 5 years, only 32% expect continuous good times, and 22% see a mix of good and bad conditions. "While the U.S. has emerged from the recession of 2000/2001, the news has not yet reached the consumer" said Andrew E. Smith, Director of the UNH Survey Center. "Consumers see that their stock portfolios are worth a fraction of what they were three years ago, they see high gas and oil prices, and they see a potential war in Iraq. This triple whammy has made them skittish about their financial prospects for the coming months."

Turning to business conditions in New Hampshire over the next 12 months, New Hampshire residents are somewhat less gloomy -- 41% think we will have good times economically, 40% feel there will be bad times, and 19% foresee mixed conditions. These figures are down since last summer.

Personal Financial Conditions

Turning to their own personal financial situations, 40% of Granite Staters say they are worse off now than they were a year ago, 30% say they are better off, and 29% say things are about the same. However, people in New Hampshire expect that their personal financial situations will improve in the coming year -- 34% think they will be better off financially a year from now, only 11% think they will be worse off, and 55% think they will be about the same. Expectations about their future financial situations have remained unchanged over the past year.

UNH Business Professor Ross Gittell commented “those most negatively impacted by the economic recession and slow recovery in the NH and the nation and the most pessimistic regarding the nation's economic future are older residents nearing or at retirement age. This age group has been most adversely affected by the decline in stock market prices of nearly 50% over that last three years. One-half of NH residents in their 60s say they are worse off financially compared to a year ago. Also nearly three-fifths (57%) of 60 year olds in NH expected wide-spread unemployment in the US compared to just 36% of 40 year olds.”

Consumer Confidence

When asked about making major purchases for their household, such as appliances or furniture, about half of New Hampshire residents (53%) think that it is a good time to make a major household purchase, 31% think it is a bad time, and 16% think it depends. These figures are also down significantly since the summer of 2002.

Subgroup Analysis

There are few demographic differences in economic expectations of New Hampshire residents, but there are meaningful political differences.

- Republicans and conservatives are more optimistic about current and future economic conditions than are Democrats and liberals. “Look for Democratic Presidential candidates running in the New Hampshire primary to re-focus their economic proposals, especially those proposals aimed at elderly voters” said Smith.
- Younger adults are more likely to say they are better off financially than they were a year 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.

- There are no significant geographic differences in how people from different parts of New Hampshire expect the economy to perform.

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 February 4 to February 12, 2003. A random sample of 652 New Hampshire adults was interviewed by telephone using a random digit dialing (RDD) methodology. In 95 of 100 cases, the statewide estimates will be accurate to plus or minus 3.8 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.

Respondents to the Granite State Poll were asked:

- "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?"
- "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?"
- "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?"
- "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?"
- "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?"
- "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?"

Business Conditions in U.S. in 12 Months

	Good Times	Mixed	Bad Times	(N)
February 2003 (Latest)	31%	20%	49%	(606)
June 2002	37	22	41	(599)
April 2002	52	22	26	(484)
February 2002	49	19	32	(300)
October 2001	25	27	49	(493)

5 Year Economic Outlook - U.S.

	Continuous Good Times	Mixed	Depression/ Unemployment	(N)
February 2003 (Latest)	32%	22%	46%	(607)
June 2002	31	27	42	(603)
April 2002	41	22	37	(463)

Business Conditions in New Hampshire in 12 Months

	Good Times	Mixed	Bad Times	(N)
February 2003 (Latest)	41%	19%	40%	(577)
June 2002	52	21	27	(588)
April 2002	58	20	22	(462)

Household Financial Condition Compared to 12 Months Ago

	Better Off	About the Same	Worse Off	(N)
February 2003 (Latest)	30%	29%	40%	(647)
June 2002	38	33	29	(650)
April 2002	40	29	31	(507)

Household Financial Condition 12 Months From Now

	Better Off	About the Same	Worse Off	(N)
February 2003 (Latest)	34%	55%	11%	(622)
June 2002	33	57	10	(625)
April 2002	38	55	7	(479)
February 2002	35	56	10	(305)
October 2001	26	62	13	(500)

Good Time to Buy Major Household Item

	Good Time	Pro-Con	Bad Time	(N)
February 2003 (Latest)	53%	16%	31%	(600)
June 2002	68	10	22	(613)
April 2002	71	11	18	(480)
February 2002	65	10	26	(298)
October 2001	63	15	22	(506)

Personal Financial Condition Compared to 1 Year Ago

STATEWIDE	<u>Better Off</u> 30%	<u>About</u> <u>The Same</u> 29%	<u>Worse Off</u> 40%	<u>(N)</u> 647
Democrat	21	26	53	243
Independent	23	35	42	120
Republican	42	31	27	261
Liberal	27	21	51	128
Moderate	28	30	42	281
Conservative	35	31	34	192
Union household	26	32	42	74
Non-union	31	29	40	562
2 Years or less in NH	32	19	49	39
3 to 5 years	40	24	36	52
6 to 10 years	33	23	44	67
11 to 20 years	32	28	40	121
More than 20 years	28	32	40	361
18 to 29	44	16	39	78
30 to 39	41	27	32	131
40 to 49	33	28	39	149
50 to 59	25	26	49	139
60 to 69	14	36	50	69
70 and over	16	48	36	65
Male	34	30	36	311
Female	27	28	44	336
High school or less	30	34	36	170
Some college	31	24	45	177
College graduate	32	29	40	194
Post-graduate	28	32	41	99
Less than \$30K	31	30	39	98
\$30K to \$60K	28	31	41	148
\$60K to \$75K	36	20	44	75
\$75K to \$100K	40	29	31	73
More than \$100K	38	30	32	87
Married	30	31	39	421
Divorced/separated	25	30	45	130
Never married	39	22	40	89
Northern NH	32	30	38	85
Western NH	33	30	36	61
Central/Lakes	30	32	38	102
Hillsborough County	32	26	42	194
Seacoast	28	30	43	204
1st Cong. District	28	31	41	330
2nd Cong. District	32	27	40	317
1st Exec. Council District	28	31	41	137
2nd Exec. Council District	31	31	38	128
3rd Exec. Council District	27	28	45	119
4th Exec. Council District	29	33	38	121
5th Exec. Council District	36	22	42	138

HH Finances - 12 Months From Now

STATEWIDE	<u>Better Off</u> 34%	<u>Worse Off</u> 11%	<u>About</u> <u>the Same</u> 55%	<u>(N)</u> 622
Democrat	25	16	58	230
Independent	31	12	58	115
Republican	42	6	51	255
Liberal	30	19	52	122
Moderate	32	8	59	266
Conservative	38	9	53	191
Union household	32	14	54	70
Non-union	35	10	55	542
2 Years or less in NH	42	5	53	40
3 to 5 years	38	15	48	51
6 to 10 years	39	9	52	63
11 to 20 years	45	6	49	120
More than 20 years	28	13	59	344
18 to 29	46	5	48	78
30 to 39	49	1	50	131
40 to 49	36	13	52	143
50 to 59	30	21	50	134
60 to 69	17	17	66	66
70 and over	8	10	82	57
Male	39	8	53	296
Female	30	14	57	326
High school or less	27	13	60	162
Some college	37	8	55	173
College graduate	39	9	52	189
Post-graduate	32	17	51	92
Less than \$30K	38	11	51	89
\$30K to \$60K	38	11	52	147
\$60K to \$75K	36	8	56	70
\$75K to \$100K	38	12	51	71
More than \$100K	36	13	51	86
Married	31	12	57	404
Divorced/separated	34	11	55	123
Never married	49	8	43	88
Northern NH	28	16	56	80
Western NH	30	16	55	59
Central/Lakes	32	16	52	92
Hillsborough County	39	7	55	191
Seacoast	34	10	56	200
1st Cong. District	34	9	57	321
2nd Cong. District	34	14	52	301
1st Exec. Council District	25	16	59	127
2nd Exec. Council District	31	16	53	120
3rd Exec. Council District	40	12	48	115
4th Exec. Council District	37	2	61	120
5th Exec. Council District	37	10	53	136

Business Conditions in NH 12 Months From Now

	<u>Good Times</u> 41%	<u>Some Good- Some Bad</u> 19%	<u>Bad Times</u> 40%	<u>(N)</u> 577
STATEWIDE				
Democrat	28	17	55	221
Independent	41	23	36	102
Republican	52	19	28	240
Liberal	34	20	46	118
Moderate	38	19	43	252
Conservative	49	20	31	171
Union household	42	24	33	66
Non-union	41	19	40	505
2 Years or less in NH	32	32	36	31
3 to 5 years	23	30	47	45
6 to 10 years	51	18	31	59
11 to 20 years	46	18	37	110
More than 20 years	41	18	42	327
18 to 29	54	17	29	70
30 to 39	41	22	37	120
40 to 49	40	19	41	135
50 to 59	36	17	47	128
60 to 69	29	20	51	59
70 and over	48	23	28	55
Male	46	23	30	285
Female	35	16	49	292
High school or less	45	14	41	151
Some college	41	21	38	154
College graduate	45	21	34	178
Post-graduate	26	22	52	92
Less than \$30K	46	23	31	84
\$30K to \$60K	41	21	38	140
\$60K to \$75K	35	14	50	65
\$75K to \$100K	39	28	33	71
More than \$100K	39	11	50	82
Married	39	17	44	376
Divorced/separated	42	26	32	115
Never married	47	21	31	82
Northern NH	44	23	33	79
Western NH	48	16	36	52
Central/Lakes	31	18	50	92
Hillsborough County	41	17	42	174
Seacoast	42	21	37	181
1st Cong. District	39	22	40	292
2nd Cong. District	42	17	40	285
1st Exec. Council District	40	20	40	124
2nd Exec. Council District	43	17	41	113
3rd Exec. Council District	41	21	39	104
4th Exec. Council District	42	27	31	102
5th Exec. Council District	39	16	46	129

Business Conditions in US in 12 Months From Now

STATEWIDE	<u>Good Times</u> 31%	<u>Some Good- Some Bad</u> 20%	<u>Bad Times</u> 49%	<u>(N)</u> 606
Democrat	19	18	64	231
Independent	25	23	52	109
Republican	45	21	34	245
Liberal	23	12	65	120
Moderate	29	21	50	261
Conservative	40	23	37	184
Union household	35	17	49	70
Non-union	31	21	48	526
2 Years or less in NH	34	29	37	37
3 to 5 years	24	16	60	49
6 to 10 years	29	29	41	60
11 to 20 years	35	15	50	119
More than 20 years	31	20	50	335
18 to 29	46	14	40	79
30 to 39	29	21	50	120
40 to 49	29	23	48	140
50 to 59	25	19	56	131
60 to 69	24	19	57	60
70 and over	41	22	37	64
Male	35	20	44	288
Female	28	19	53	318
High school or less	32	16	52	160
Some college	31	24	45	165
College graduate	37	19	44	179
Post-graduate	19	22	58	95
Less than \$30K	30	20	50	90
\$30K to \$60K	30	21	48	137
\$60K to \$75K	29	16	56	68
\$75K to \$100K	26	26	48	71
More than \$100K	32	15	53	86
Married	28	21	51	395
Divorced/separated	33	21	46	117
Never married	44	14	42	87
Northern NH	26	24	51	84
Western NH	41	13	46	54
Central/Lakes	23	21	57	90
Hillsborough County	31	23	46	186
Seacoast	35	17	48	192
1st Cong. District	32	18	49	307
2nd Cong. District	30	21	49	299
1st Exec. Council District	25	20	55	129
2nd Exec. Council District	28	20	52	117
3rd Exec. Council District	37	15	48	114
4th Exec. Council District	37	26	37	107
5th Exec. Council District	31	19	50	134

US 5 Year Economic Outlook

STATEWIDE	<u>Continuous Good Times</u> 32%	<u>Mixed</u> 22%	<u>Widespread Unemployment/ Depression</u> 46%	<u>(N)</u> 607
Democrat	17	22	61	226
Independent	26	27	48	112
Republican	48	21	31	249
Liberal	23	19	58	118
Moderate	28	23	49	260
Conservative	45	23	33	186
Union household	42	25	33	67
Non-union	31	22	47	530
2 Years or less in NH	35	27	38	38
3 to 5 years	25	27	48	49
6 to 10 years	36	26	38	66
11 to 20 years	32	24	43	114
More than 20 years	32	19	49	334
18 to 29	35	15	51	76
30 to 39	35	22	43	128
40 to 49	38	26	36	137
50 to 59	29	20	51	132
60 to 69	20	23	57	61
70 and over	31	25	44	59
Male	39	27	34	291
Female	26	17	57	316
High school or less	30	12	57	154
Some college	34	22	44	167
College graduate	32	28	40	188
Post-graduate	32	27	41	93
Less than \$30K	26	19	55	87
\$30K to \$60K	35	20	45	144
\$60K to \$75K	33	26	41	73
\$75K to \$100K	41	25	34	69
More than \$100K	29	29	42	86
Married	32	24	45	395
Divorced/separated	34	18	48	122
Never married	33	21	46	84
Northern NH	31	26	43	79
Western NH	38	14	49	56
Central/Lakes	35	30	35	97
Hillsborough County	33	19	48	183
Seacoast	29	22	49	192
1st Cong. District	32	18	50	312
2nd Cong. District	32	26	42	296
1st Exec. Council District	31	21	47	125
2nd Exec. Council District	33	23	44	121
3rd Exec. Council District	29	24	48	115
4th Exec. Council District	36	18	46	112
5th Exec. Council District	33	21	46	131

Good Time To Buy Major Household Item

STATEWIDE	<u>Good Time</u> 53%	<u>Pro-Con</u> 16%	<u>Bad Time</u> 31%	<u>(N)</u> 600
Democrat	49	15	36	224
Independent	48	19	33	113
Republican	59	16	25	241
Liberal	52	14	34	118
Moderate	50	17	33	264
Conservative	58	16	26	177
Union household	62	14	24	70
Non-union	52	16	32	519
2 Years or less in NH	55	12	33	33
3 to 5 years	54	15	31	51
6 to 10 years	53	9	38	63
11 to 20 years	51	15	34	111
More than 20 years	53	18	30	335
18 to 29	58	4	38	74
30 to 39	56	10	33	128
40 to 49	53	15	31	141
50 to 59	52	17	31	123
60 to 69	45	27	28	63
70 and over	44	33	23	56
Male	55	15	30	282
Female	51	16	33	318
High school or less	48	18	34	156
Some college	58	17	25	167
College graduate	56	12	32	179
Post-graduate	43	18	39	92
Less than \$30K	54	18	28	92
\$30K to \$60K	53	14	33	138
\$60K to \$75K	52	20	27	64
\$75K to \$100K	57	14	29	70
More than \$100K	51	8	41	86
Married	52	18	30	392
Divorced/separated	50	17	33	117
Never married	58	6	35	83
Northern NH	58	12	30	81
Western NH	60	17	23	54
Central/Lakes	44	27	29	99
Hillsborough County	51	14	35	175
Seacoast	55	13	32	191
1st Cong. District	55	15	30	308
2nd Cong. District	50	17	33	292
1st Exec. Council District	53	19	28	128
2nd Exec. Council District	46	21	33	124
3rd Exec. Council District	58	14	29	110
4th Exec. Council District	52	14	34	107
5th Exec. Council District	55	12	33	126