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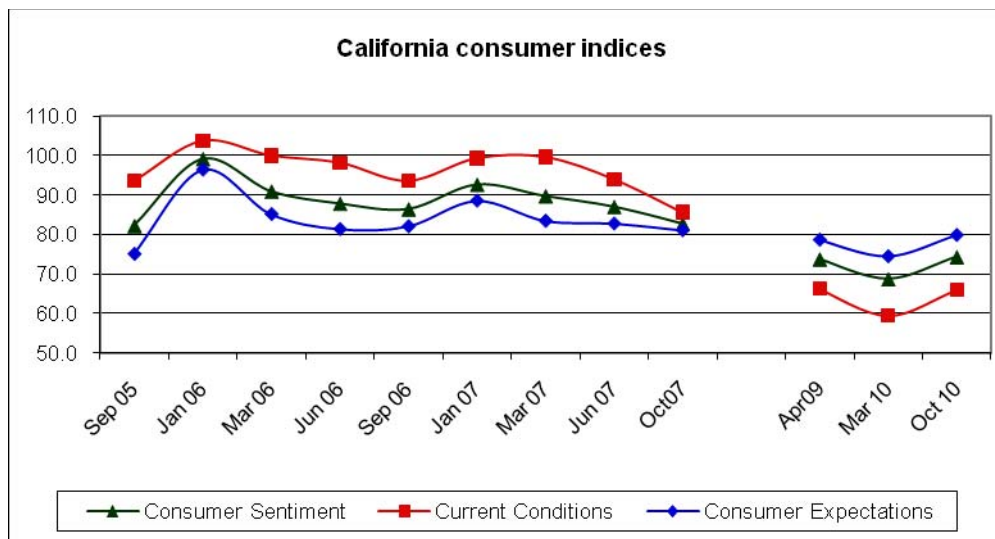
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CALIFORNIA CONSUMER CONFIDENCE UP SLIGHTLY, SLOW RECOVERY EXPECTED SILICON VALLEY MORE OPTIMISTIC THAN REST OF STATE, NATION

SAN JOSE, OCTOBER 28 – California consumer confidence is starting to improve from a historic low in March, a new statewide survey by the Survey and Policy Research Institute at San José State University shows.

The overall Index of Consumer Sentiment, which combines assessments of current conditions and future expectations for personal finances and business conditions for the country as a whole, now stands at 74.4 among California residents. Index numbers below 100 indicate that negative perceptions outweigh positive. This represents a five-point increase from 68.8 in March 2010, and is slightly higher than the 73.8 recorded a year and a half ago in April 2009.

The upward trend reflects a more positive assessment of both current economic conditions and future expectations. The Current Economic Conditions (CEC) Index now stands at 66.0, up 6.5 points since March. Expectations for the future, as measured by the Index of Consumer Expectations (ICE) have also improved, up five points from 74.7 in March to 79.8 in October.



NOTE: The Index of Consumer Sentiment (ICS) combines consumer perceptions about Current Economic Conditions (CEC) and the Index of Consumer Expectations (ICE).
 Index numbers = % positive responses - % negative responses + 100.

ONE IN TWO CALIFORNIANS WORSE OFF TODAY VERSUS ONE YEAR AGO; ONE IN FOUR BETTER OFF

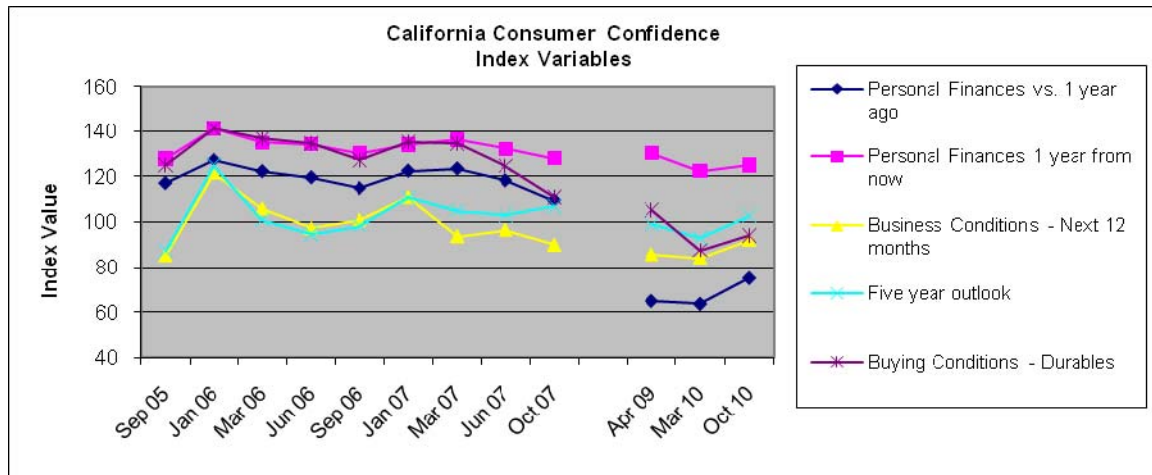
The greatest improvement comes in Californians' assessments of their personal financial situation compared to one year ago, with 25% now saying they are better off than they were a year ago, up from just 14% in March. Even so, nearly twice as many Californians (49%) continue to say they are worse off compared to a year ago, and another 25% say their financial situation is about the same.

Expectations for the future remain cautious, with 38% of Californians saying they think they will be better off a year from now, and 39% expecting their financial situation to stay the same, while 13% expect to be worse off.

With regard to business conditions in the country as a whole, 32% of Californians said they expected to see good times in the next 12 months, up from 27% in March. But 40% of Californians continue to expect bad times for the national economy, down only slightly from 43% in March. Long-term expectations also showed marginal improvement, with 39% saying they thought the country would see good economic times during the next five years, but 37% saying they expected to see widespread unemployment and depression.

Current buying conditions are also viewed as bad by 45% of Californians, while 39% say it is a good time to buy major household items.

"The good news here is that we are starting to see some improvement in consumer confidence statewide," said Survey and Policy Research Institute Research Director Dr. Melinda Jackson, "The bad news is that attitudes are still fairly pessimistic overall. We may have turned the corner on the worst of the recession, but there is not a lot of hope for a quick recovery in these numbers."



Index numbers = % positive responses - % negative responses + 100.

RECESSION EXPECTED TO LINGER; FOUR IN TEN CALIFORNIANS STILL FEAR JOB LOSS

SPRI also asked respondents if they believed California is in an economic recession – 85% said yes, down slightly from 91% in March. Altogether, 49% of Californians said they think the state is in a serious recession, 25% said it is in a moderate recession, and 9% said it is in a mild recession, while 11% said they do not think California is in a recession.

When those who believed the state to be in an economic recession were asked how much longer they think the recession will last, just 6% said less than one year, 36% said 1-2 years, 38% said 3-5 years, and 15% said more than 5 years. These expectations are slightly more optimistic than in March, when 4% of Californians thought the recession would last less than one year, 38% said 1-2 years, 40% said 3-5 years, and 13% said more than 5 years.

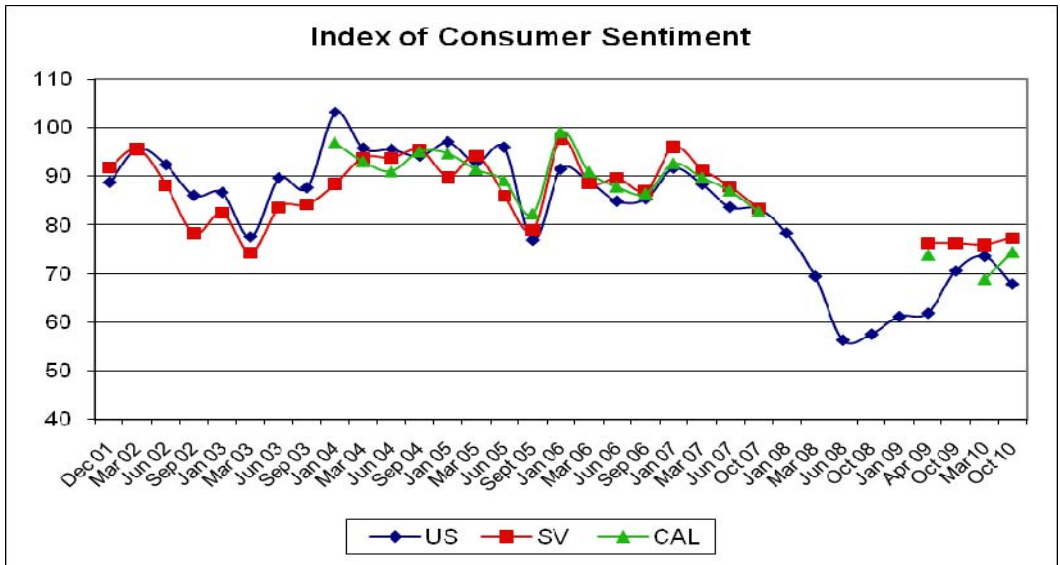
In addition, 39% of Californians said that they are concerned that they or someone in their family will lose their job in the next year, while 53% said they are not concerned about this. These fears are also slightly lower than in March, when 43% of Californians were concerned about losing a job, and 44% were not worried about this.

CALIFORNIA CONSUMER CONFIDENCE HIGHER THAN US; SILICON VALLEY HIGHER THAN BOTH STATE AND NATION

Overall, California consumer confidence is slightly higher than in the nation as a whole. The national Index of Consumer Sentiment stood at 67.9 in October, down from 73.6 in March, as measured by the University of Michigan's Survey of Consumers. The same Index of Consumer Sentiment stood at 74.4 among Californians in October, 6.5 points higher than the country as a whole.

Silicon Valley residents are more optimistic than the rest of the state and the nation, as has often been the case historically. Among Silicon Valley residents, the overall Index of Consumer Sentiment stood at 77.3 in October, nearly three points higher than California as a whole, and nine points higher than the nation. Assessments of current economic conditions for the country among Silicon Valley residents were six index points higher (72.0) than the state as a whole (66.0), while future expectations were one point higher, at 80.8 in Silicon Valley versus 79.8 statewide.

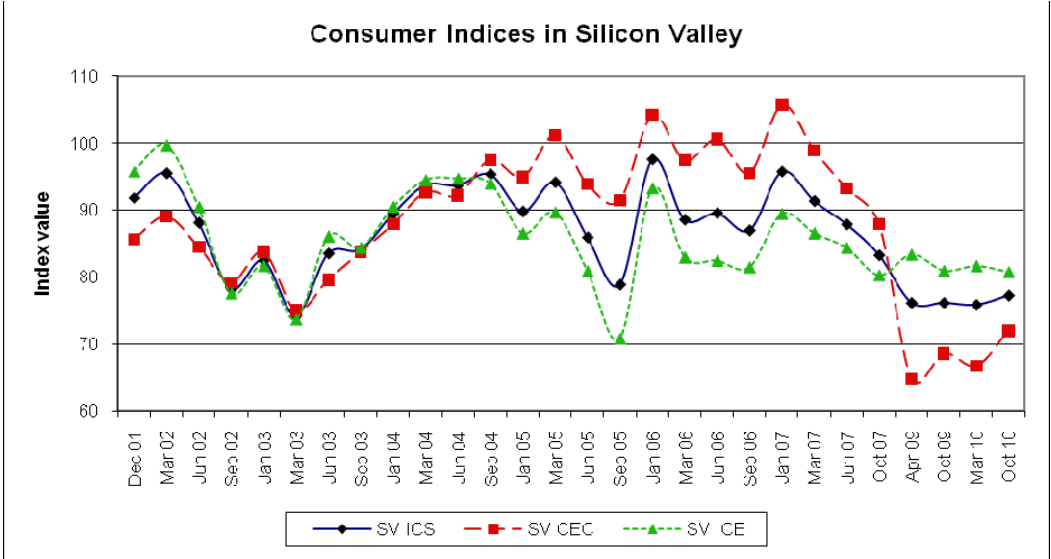
Index	Consumer Sentiment (ICS)			Current Economic Conditions (CEC)			Consumer Expectations (ICE)		
	Oct 09	March 10	Oct 10	Oct 09	March 10	Oct 10	Oct 09	March 10	Oct 10
2009/10									
Silicon Valley	76.2	75.9	77.3	68.6	66.7	72.0	81.0	81.7	80.8
CA	--	68.8	74.4	--	59.5	66.0	--	74.7	79.8
US	70.6	73.6	67.9	73.7	82.4	73.0	68.6	67.9	64.6



Index numbers = % positive responses - % negative responses + 100
 US index numbers from University of Michigan's Survey of Consumers

SILICON VALLEY OUTLOOK

Future expectations among Silicon Valley residents remain higher than assessments of current economic conditions. In October, the Index of Consumer Expectations (ICE) stood at 80.8 among those in Silicon Valley, while the Current Economic Conditions (CEC) index was 72.0. However, the CEC rose more than five index points, from 66.7 in March, among Silicon Valley residents, while the ICE dropped slightly from 81.7 in March.



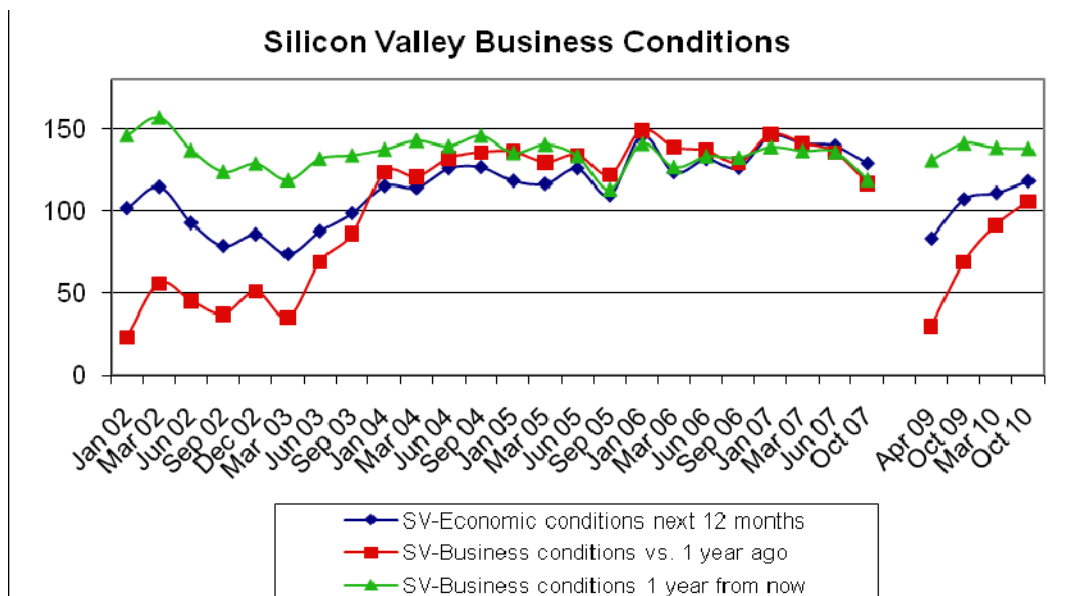
BUSINESS CONDITIONS IN SILICON VALLEY

Silicon Valley residents were also asked about business conditions in Silicon Valley itself. Current business conditions in Silicon Valley were seen as better than a year ago by 42% of residents, while 36% thought conditions were worse than a year ago, and 14% thought they were the same.

During the next 12 months, 44% of Silicon Valley residents said they expect to see good financial times in the Valley, while 25% expect mixed economic times, and another 25% expect to see bad times.

Looking ahead to one year from now, expectations are slightly higher, with 46% of Silicon Valley residents saying they expect business conditions in the Valley to be better than now, 42% saying they expect them to be the same, and just 8% saying they expect conditions to be worse.

"All three of these indicators show incremental improvement in economic attitudes in Silicon Valley," said Survey and Policy Research Institute Research Director Dr. Melinda Jackson, "This is encouraging, given this region's historical role as a driver of innovation and economic growth."



ABOUT THE SURVEY

The Survey and Policy Research Institute at San José State University conducted the Fall 2010 Silicon Valley Pulse Survey September 27-October 16, 2010. This telephone survey of 816 California adults was conducted in English and Spanish, and contained questions on several different topics including consumer attitudes and political issues. The survey also included an oversample of 515 Silicon Valley residents, to allow for separate analysis.

Telephone numbers included in this sample were randomly generated by computer to ensure that both listed and unlisted numbers were included from all landline exchanges in California. A random sample of cell phone numbers was also included, with respondents screened for current residence in California. Telephone numbers in the survey sample were called up to three times at different times and days to increase the likelihood of reaching eligible households.

Survey respondents were reached by both cell phone and landline phone. Approximately 17% of respondents indicated that they use only a cell phone, and another 16% said that they primarily use their cell phone. Another 38% of the sample reported using a cell phone and landline equally, 20% said they primarily used a landline, and 7% reported using only a landline phone.

The sampling error for the total sample, including design effects, is plus or minus 4.63 percentage points at the 95% confidence level. For the Silicon Valley subsample the sampling error is 4.32 percentage points. Subgroups will have larger margins of error. Results were statistically weighted by region, race and gender to match recent U.S. Census estimates of the California and Silicon Valley populations.

Silicon Valley is defined as all of Santa Clara and San Mateo Counties, plus Fremont, Newark, and Union City in Alameda County, and Scotts Valley in Santa Cruz County. This follows the geographic definition of Silicon Valley used by Joint Venture Silicon Valley in their annual Silicon Valley Index.

The California Consumer Confidence portion of the Fall 2010 Silicon Valley Pulse survey was sponsored by the San José State University College of Social Sciences and College of Business, and Orchard Supply Hardware.

CONSUMER CONFIDENCE SURVEY QUESTIONS

1. 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?

	CA	SV
Better off	24%	22%
Same (volunteered)	25	35
Worse off	49	39
Don't know/Refused	2	4

2. Now looking ahead - do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?

	CA	SV
Better off	38%	32%
Same as now	39	47
Worse off	13	11
Don't know/Refused	10	10

3. Now turning to business conditions in the country as a whole - do you think that during the next 12 months we'll have good times financially, or bad times, or what?

	CA	SV
Good Times	32%	36%
Good and Bad (vol.)	19	22
Bad Times	40	34
Don't know/Refused	8	8

4. Looking ahead, which would you say is more likely: that in the country as a whole we'll have continuous good times during the next five years or so, or that we will have periods of widespread unemployment or depression, or what?

	CA	SV
Continuous good times	39%	38%
Stay about the same (vol.)	14	16
Widespread unemployment/ depression	37	39
Don't know/Refused	10	7

5. About the big things people buy for their homes - such as furniture, a refrigerator, stove, television, and things like that. Generally speaking do you think now is a good or bad time for people to buy major household items?

	CA	SV
Good	39%	40%
Good and Bad (vol.)	12	16
Bad	45	39
Don't know/Refused	5	6

9. Would you say that California is in an economic recession, or not? *[If yes: Do you think it is in a serious, a moderate, or a mild recession?]*

	CA	SV
Yes, serious recession	49%	44%
Yes, moderate recession	25	30
Yes, mild recession	9	9
No	11	11
Don't know/Refused	6	6

10. How much longer do you think the economic recession will last? *[if yes to Q9]*

	CA	SV
Less than one year	6%	7%
1-2 years	36	40
3-5 years	38	38
More than 5 years	15	11
Don't know/Refused	5	4

11. Are you concerned that you or someone in your family will lose their job in the next year, or not? *[If yes: Are you very concerned or somewhat concerned about this?]*

	CA	SV
Yes, very concerned	24%	16%
Yes, somewhat concerned	15	14
No	53	64
Have lost job already (vol.)	5	3
Don't know/Refused	3	4

[Q12-14 asked of Silicon Valley residents only]

12. Thinking now about Silicon Valley specifically, do you think that during the next 12 months we'll have good times financially, or bad times, or what?

Good	44%
Good and bad (vol.)	25
Bad	25
Don't know/Refused	6

13. Would you say that at the present time, business conditions in Silicon Valley are better or worse than they were a year ago?

Better Now	42%
Same (vol.)	14
Worse Now	36
Don't know/Refused	7

14. How about a year from now? Do you expect that business conditions in Silicon Valley will be better or worse than they are at present, or just about the same?

Better than now	46%
Same	42
Worse than now	8
Don't know/Refused	5