



# Tennessee Consumer Outlook Index

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## Consumers' Views of the Current Economy Plummet, While Outlook for the Future Improves

The Tennessee Consumer Outlook Index has plummeted to an all-time low.<sup>1</sup> The Overall Outlook Index is now in the negative range, declining all the way to -13 from 212 in March.<sup>2</sup> Clearly, the forced shutdown of the economy, the accompanying loss of jobs, and fears of a second wave of COVID-19 have driven consumers to hold very negative views of the overall economy.

However, consumers in Tennessee have not lost all hope as expectations for a positive rebound in the economy are growing. Even though the Current Situation Index and the Purchasing Index declined significantly, the Future Expectations Index improved to 89 from 66 in March. This suggests a growing number of Tennessee consumers are becoming more optimistic about the future of the economy, an economic rebound, and an improving job market.

The current online survey of 625 Tennessee consumers was conducted between June 2 and June 11.

### Tennessee Consumer Outlook Index and Components Increase/Decrease from March 2020

	TN		West TN		Mid TN		East TN	
	June 2020 (n=625)	Change from March	June 2020 (n=205)	Change from March	June 2020 (n=210)	Change from March	June 2020 (n=210)	Change from March
Overall Outlook Index	-13	-225	-56	-151	50	-249	-32	-277
Current Situation Index	-93	-165	-102	-121	-79	-194	-99	-180
Future Expectations Index	89	+23	77	+51	111	+12	78	+6
Purchasing Index	-8	-84	-32	-81	17	-67	-11	-103

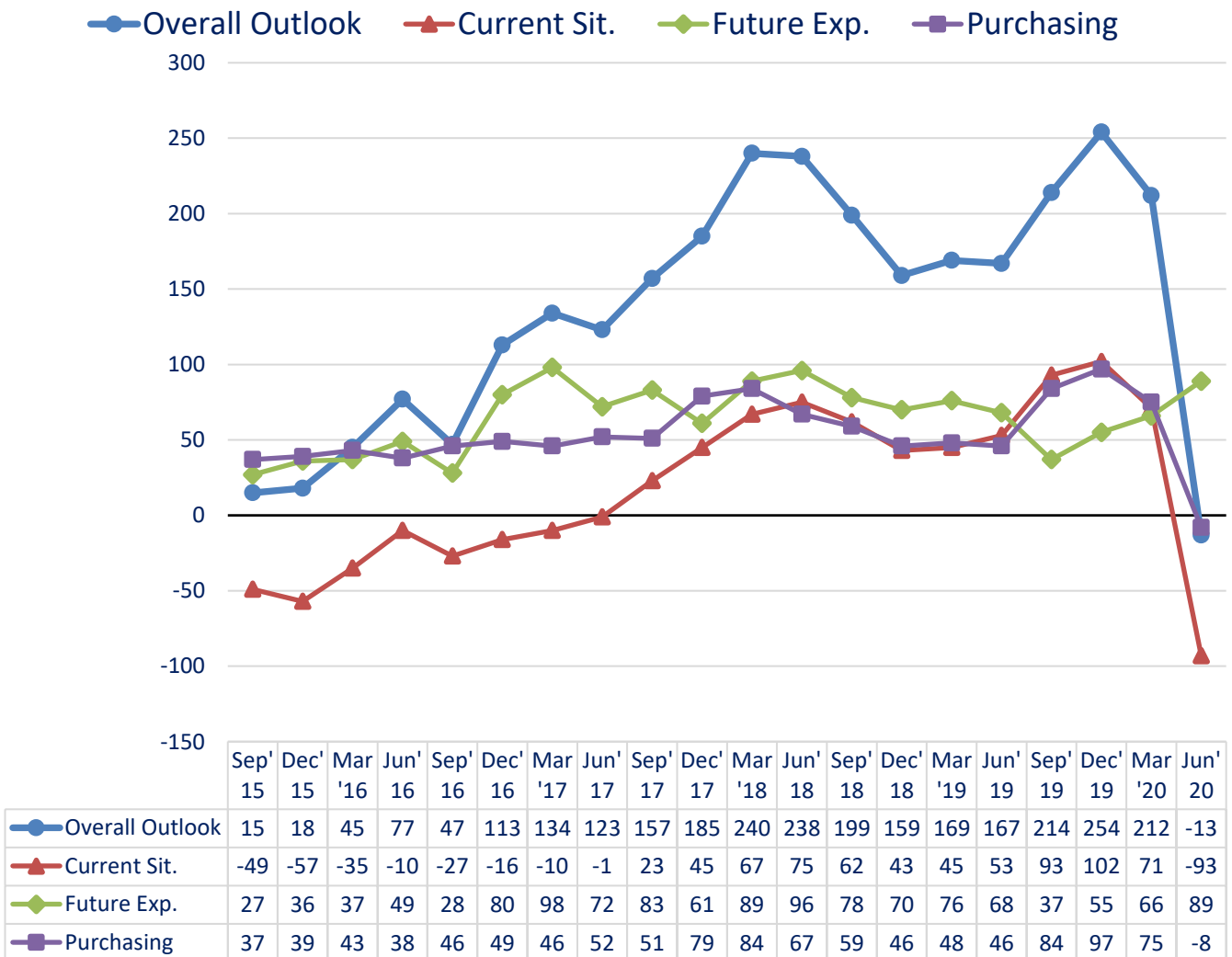
<sup>1</sup> The current online survey of 625 Tennessee residents was conducted between June 2 and June 11.

<sup>2</sup> The Consumer Outlook Index scores are based on consumers' responses to 11 questions measuring their perceptions of the current economy, the future economy, jobs, personal finances, and whether or not now is a good time to make large purchases. Four questions make up the Current Situation Index, four questions make up the Future Expectations Index, and three questions make up the Purchasing Index. The Overall Outlook Index is based on all 11 questions combined (complete questions are shown at the end of this report).

The scores for each index are computed by adding the percentage of favorable responses to each question and subtracting the percentage of negative responses to each question. A net score of zero indicates the percentage of consumers who hold negative views of the economy is equal to the percentage of consumers who hold positive views of the economy. A net positive score indicates consumers who hold positive views of the economy outnumber those who hold negative views of the economy (vice versa for a net negative score).

The chart below shows how the Tennessee Consumer Outlook Index has changed since December, 2015. Notice how the Future Expectations Index began improving in September, 2019 and continues to rise amid the economic shutdown associated with coronavirus/COVID-19.

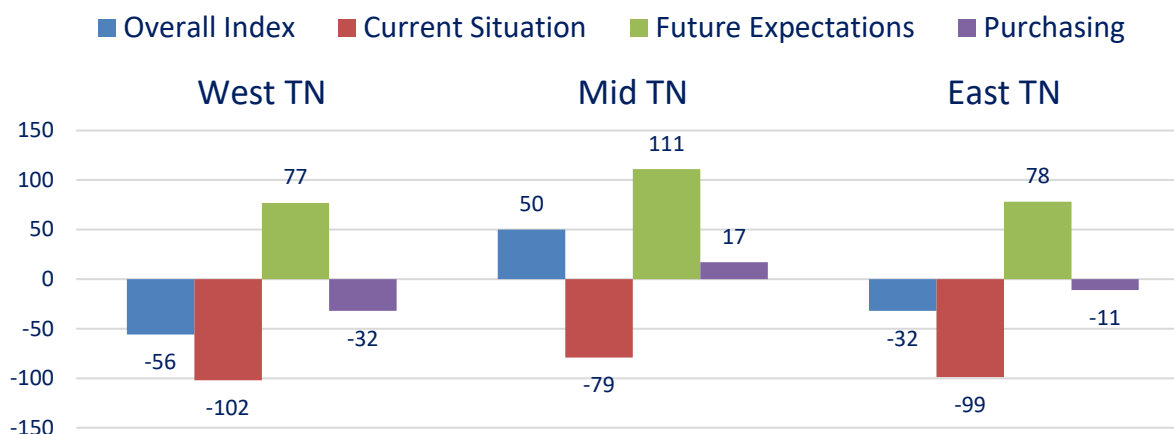
## Tennessee Consumer Outlook Index



## Tennessee Consumers and the Economy

Consumers in middle Tennessee continue to hold the most positive views of the economy, followed by those in east Tennessee. However, west Tennessee had the smallest declines in the Current Situation Index, and the largest gains in the Future Expectations Index.

### Tennessee Consumer Outlook Index Results by Region



**The Sharp Decline.** The sharp decline in the Current Situation Index and the Purchasing Index is not surprising. The previous survey was conducted at the beginning of March, before the widespread forced business shutdowns. As such, it is possible Tennessee consumers' outlook was even more negative during April and May, when most business shutdowns occurred. In fact, the Conference Board found a slight improvement in their national measure of consumer confidence at the end of May.<sup>3</sup> It is thus possible that Tennessee consumers' opinions improved slightly during the last month in response to the phased re-openings that began in May and the positive job numbers reported in early June.

**The Current Economy.** Clearly, recent events with coronavirus/COVID-19, the forced economic shutdown, and the accompanying job losses have had a significant effect on consumers' views of the economy. Half (50%) of consumers in Tennessee said business conditions in the U.S. are "bad," compared to only six percent who said they are "good." Views of the Tennessee economy are less severe. While only 11 percent said business conditions in Tennessee are "good," 32 percent said they are "bad."

**Jobs and Employment.** The economic shutdown and the accompanying job losses are being noticed by consumers. More than twice as many (31%) said jobs are "hard to find" versus "easy to find" (13%). Further, nearly one-in-four (23%) said they, or someone else in their household, has lost a job due to the economic shutdown. However, one reason for improving optimism is that not all these job losses are expected to be permanent. Of those who recently lost jobs, 26 percent expect these job losses to be permanent, compared to 54 percent who expect them to be temporary and resume after the economy opens-up.

<sup>3</sup> *The Conference Board Consumer Confidence Index® Stabilizes in May*, May 26, 2020, [www.conference-board.org](http://www.conference-board.org).

**Fears of a Second Wave.** Many businesses in Tennessee have recently begun to re-open their doors for business. Unfortunately, consumers are still very weary of a possible second wave of coronavirus/COVID-19 after the economy opens-up. Three out of four (75%) of consumers said it is at least “somewhat likely” the U.S. will experience a second wave of coronavirus/COVID-19 after the economy opens-up.

Consumers are somewhat split in terms of their level of comfort when shopping. Less than half (43%) said that, as of today, they are at least “somewhat comfortable” resuming their normal shopping, dining, and other consumer related activities. A similar number (45%) said they are either “somewhat uncomfortable” or “extremely uncomfortable” doing so.

When asked about the pace at which businesses are opening-up, 39 percent said they are opening “too soon (too fast),” compared to only 12 percent who said they are opening “not soon enough (too slow).” Most (44%) said they are opening “at about the right speed (pace).”

**Spending.** These fears, combined with the imposed inability to go out and engage in consumer related activities, have led to an expected decline in spending. Twice as many consumers said they expect to spend “less” than they did last year (44%) versus “more” (22%). For some consumers, this decreased spending means increased savings. There was a net increase in the percent who said they are saving more than they saved last year, and almost three times as many (40%) said they expect to “increase” their level of savings in the next 12 months, versus “decrease” (14%). For some consumers, this increased saving can set the stage for even more spending when the economy opens-up even further.

An increasing stock market can also bode well for future consumer spending as it affects investments and consumers’ feelings of wealth. There was a net increase in the percent who expect the stock market to increase in value in the next 12 months, with twice as many (40%) expecting the stock market to be “higher” in the next 12 months, versus “lower” (20%).

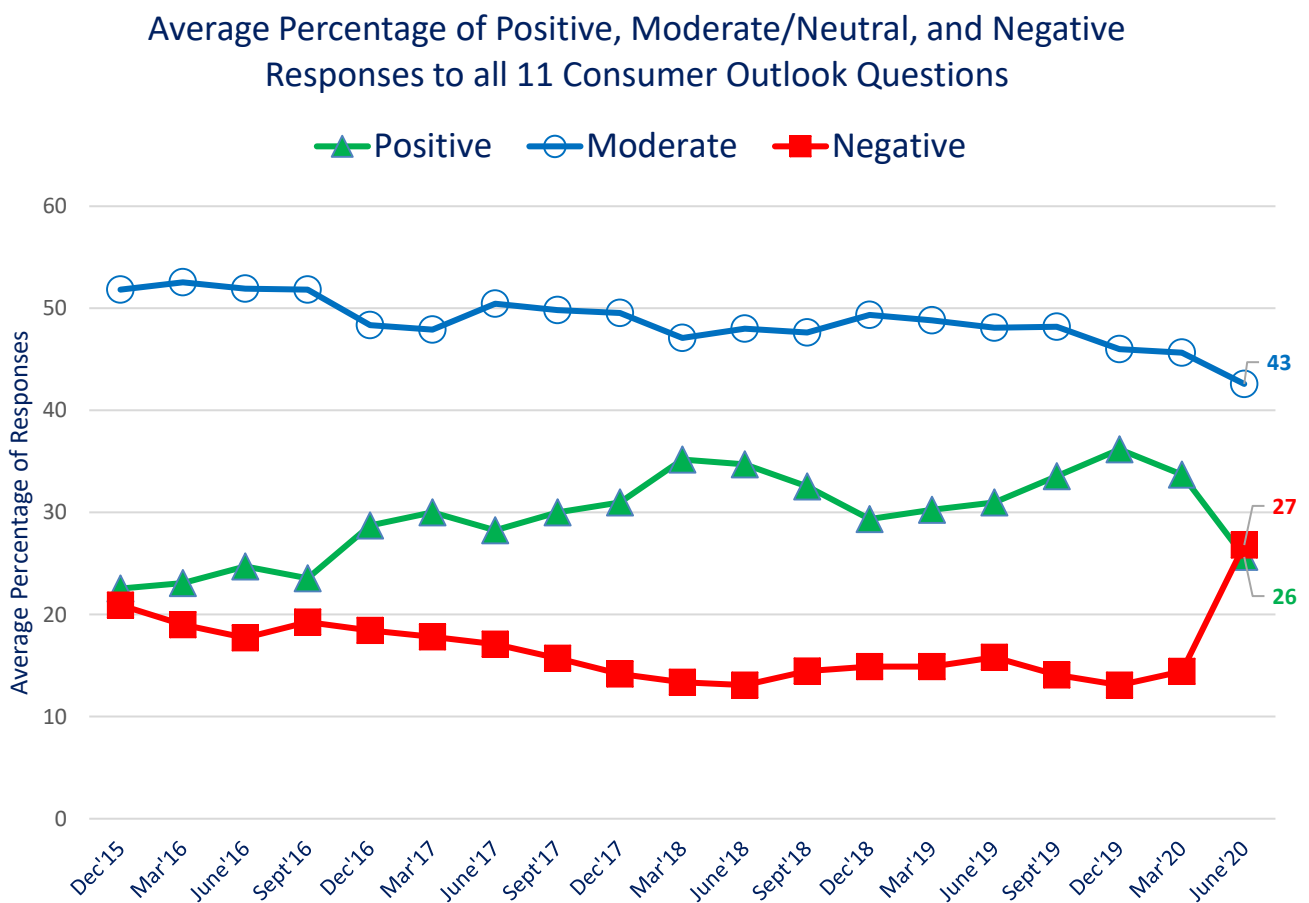
**Why the Increasing Optimism Amid the Current Economic Downturn?** One reason for the improving optimism among consumers is that the current economic decline is not the result of economic policies or structural problems with the economy. Thus, it did not result from consumers’ inability to spend. Rather, it resulted in large measure from consumers not being allowed to spend. Typical economic recoveries are driven by efforts to encourage consumers to spend. In contrast, this economic recovery will be driven by allowing consumers to spend and their perceived level of safety while spending (shopping, dining out, etc.).

**The New Definition of Consumer Confidence.** Typically, economists and business leaders look to consumers’ level of confidence as an indicator of future spending. Such confidence is seen as the degree to which consumers feel comfortable spending money, i.e., whether they can afford to spend money. However, with coronavirus/COVID-19 economists and business leaders are now forced to re-define consumer confidence. The current economic recovery will result more from consumers’ level of confidence *while* spending, versus their level of confidence *to* spend. As such, businesses will be forced to communicate with their customers about steps taken to ensure their customers’ safety while shopping, dining out, going to entertainment, traveling, and other consumer related activities. The current results show that a growing number of consumers expect a rebound in the economy, however, such a rebound can take place only when consumers feel

safe while spending. In sum, many Tennessee consumers want to spend, and will spend, when they are allowed to spend, and when they feel comfortable (safe) spending.

### Average Attitude

The chart below shows the average percentage of positive, moderate/neutral, and negative responses to all 11 questions that make up the Tennessee Consumer Outlook Index. The favorable gap between the percentage of positive versus negative responses has now eroded. Most consumers (43%) think the economy is somewhere “in between” good and bad and will likely stay “about the same” in the future. Of the remaining consumers, 27% think economic conditions are “bad” or think future economic conditions will be “worse,” versus 26% who think economic conditions are “good” and think future economic conditions will be “better.”



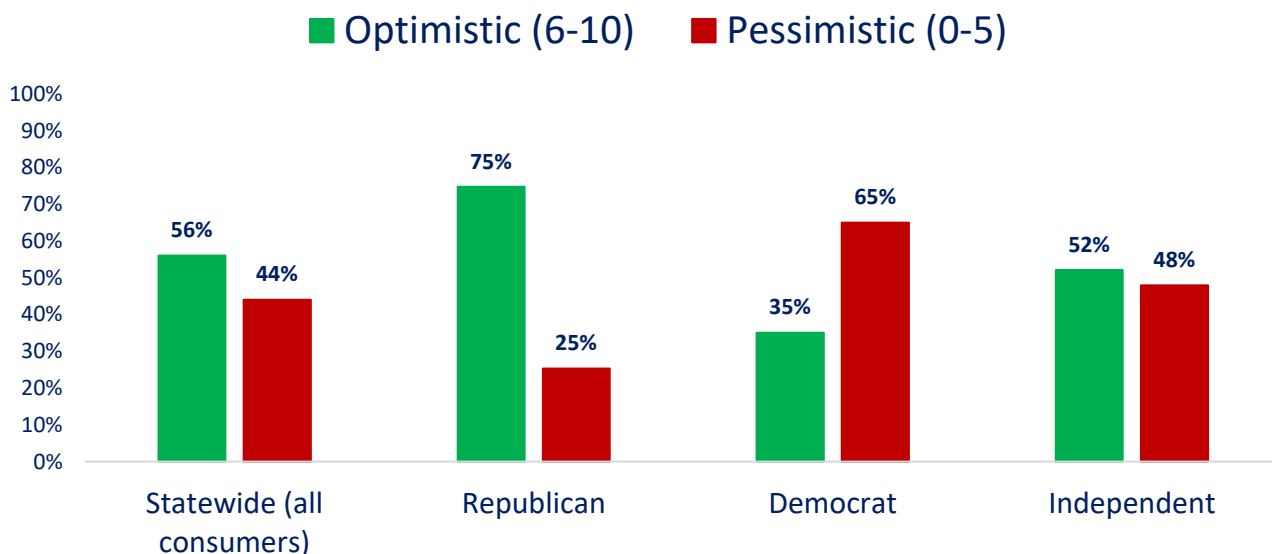
## Political Affiliation and Economic Optimism

Consumers were asked to rate the future of the overall U.S. economy on a 0 to 10 scale, where 0 means there is likely to be a major recession, and 10 means the economy will grow and expand at a very fast pace. The chart below shows the percentage of consumers who rated the future of the economy pessimistically (0-5 on the scale; n=274), versus optimistically (6-10 on the scale; n=351).

Overall, most consumers (56%) are optimistic, versus 44 percent who are pessimistic. This mirrors the steady increase in the Future Expectations Index since September, 2019.

Republican consumers were much more likely to be optimistic about the future of the economy compared to Democrats who were more pessimistic. Independents were less opinionated, but tended to be slightly more optimistic than pessimistic.

How would you rate the future of the overall U.S. economy on a 0-10 scale, where 0 means there is likely to be a major recession, and 10 means the economy will grow and expand at a very fast pace?  
(By political affiliation)



## Politics, Presidential Candidates, and the Economy

Respondents were also asked questions about political candidates, coronavirus/COVID-19, and their level of comfort while shopping. Tables showing these results are presented on the next four pages.

### *Noteworthy findings include:*

- Opinions follow political party lines. Most Republicans (74%) approve of the way President Trump is handling the situation with coronavirus/COVID-19, whereas most Democrats (87%) disapprove.
- With respect to Governor Bill Lee, more consumers (40%) approve of the way he is handling the situation with coronavirus/COVID-19 than disapprove (24%). This also varies by political affiliation. Most Republicans (65%) approve of the way Governor Lee is handling the situation with coronavirus/COVID-19, compared to only 18 percent of Democrats.
- When asked which presidential candidate they trust the most with respect to handling the situation with coronavirus/COVID-19, more selected Donald Trump (39%) versus Joe Biden (28%).
- When asked which presidential candidate they trust the most with respect to handling the U.S. economy, more selected Donald Trump (46%) versus Joe Biden (27%). These results also followed political party lines. However, Donald Trump garnered greater support from Republicans than Joe Biden received from Democrats.
- The clear majority (75%) said it is at least “somewhat likely” the U.S. will experience a second wave of coronavirus/COVID-19 after businesses are allowed to open-up.
- About the same number said they are comfortable resuming their normal shopping, dining, and other consumer related activities (43%) as said they are uncomfortable (45%).
- Most Tennessee consumers (59%) said it is either “extremely important” or “very important” that people wear masks when out in public around other people.
- Just over half (51%) are in favor of legislation that would limit the ability of a person (consumer) to sue a business for personal injuries associated with exposure to coronavirus/COVID-19. This also follows political party lines. Republican consumers were more likely to support such legislation.
- Almost half (49%) expect the U.S. economy will be able to open-up completely by October 1<sup>st</sup>. Slightly more (56%) expect the Tennessee economy will be able to open-up by October 1<sup>st</sup>.
- Most Tennessee consumers (44%) said Tennessee business are opening “at about the right speed” (44%). However, almost as many said they are opening “too soon” (39%). About one in eight (12%) said they are “not opening soon enough.”
- Nearly two-thirds (65%) believe the recent protests and riots following the George Floyd death will have negative effects on the overall U.S. economy.

## Coronavirus, COVID-19, the Economy, and Political Affiliation

Do you approve or disapprove of the way <u>President Trump</u> is handling the situation with the coronavirus/COVID-19?	Total	Rep.	Dem.	Ind.
Approve	37%	74%	3%	25%
Neither	17%	16%	9%	19%
Disapprove	42%	7%	87%	55%
Don't know / Not sure	4%	3%	1%	1%

Do you approve or disapprove of the way <u>Governor Bill Lee</u> is handling the situation with the coronavirus/COVID-19?	Total	Rep.	Dem.	Ind.
Approve	40%	65%	18%	34%
Neither	29%	22%	32%	34%
Disapprove	24%	9%	40%	29%
Don't know / Not sure	7%	3%	10%	3%

Which of the following presidential candidates do you trust the most with respect to handling the situation with the coronavirus/COVID-19?	Total	Rep.	Dem.	Ind.
Donald Trump	39%	79%	3%	23%
Joe Biden	28%	2%	70%	38%
I trust both the same	2%	3%	2%	2%
I do not trust either one of them	23%	13%	19%	35%
No opinion / Do not know	8%	4%	7%	3%

Which of the following presidential candidates do you trust the most with respect to handling the U.S. economy?	Total	Rep.	Dem.	Ind.
Donald Trump	46%	90%	3%	30%
Joe Biden	27%	2%	71%	33%
I trust both the same	2%	1%	3%	2%
I do not trust either one of them	19%	6%	16%	30%
No opinion / Do not know	6%	2%	7%	5%



After businesses are allowed to open up again, how likely is it that the U.S. will experience a second wave of coronavirus/COVID-19?	Total	Rep.	Dem.	Ind.
Extremely likely	35%	22%	59%	33%
Somewhat likely	40%	41%	32%	47%
Neither	11%	17%	1%	12%
Somewhat unlikely	5%	9%	3%	1%
Extremely unlikely	4%	4%	2%	3%
Don't know / No answer	6%	8%	3%	5%
As of today, how comfortable are you resuming your normal shopping, dining, and other consumer related activities? This includes shopping in retail stores, dining out at restaurants, attending events, etc.	Total	Rep.	Dem.	Ind.
Extremely comfortable	15%	22%	5%	13%
Somewhat comfortable	28%	34%	20%	24%
Neither	11%	11%	10%	11%
Somewhat uncomfortable	29%	22%	39%	34%
Extremely uncomfortable	16%	11%	25%	18%
Don't know / No answer	0%	0%	1%	0%
As of today, how important is it that people wear masks when they are out in public around other people?	Total	Rep.	Dem.	Ind.
Extremely important	38%	30%	57%	42%
Very important	21%	16%	23%	21%
Moderately important	17%	21%	15%	13%
Slightly important	11%	16%	3%	7%
Not at all important	11%	15%	1%	13%
Don't know / No answer	2%	2%	1%	3%
Some lawmakers are considering legislation that would limit the ability of a person (consumer) to sue a business for personal injuries associated with exposure to coronavirus/COVID-19. Do you agree with, or oppose, this type of legislation (law)?	Total	Rep.	Dem.	Ind.
I agree with (I am in favor of) legislation limiting these types of law suits against businesses	51%	70%	37%	47%
I oppose (I do not agree with) legislation limiting these types of law suits against businesses	23%	14%	32%	27%
Don't know / Not sure	26%	16%	31%	26%

Have you, or anyone in your household, lost a job as a result of the coronavirus/COVID-19 economic shutdown?	Total	Rep.	Dem.	Ind.
Yes	23%	19%	25%	20%
No	76%	80%	73%	79%
Don't know / Not sure	1%	0%	2%	1%
If you, or someone in your household, has lost a job as a result of the coronavirus/COVID-19 economic shutdown, is this job loss temporary, or permanent?	Total	Rep.	Dem.	Ind.
Temporary (the job will resume after the economy opens-up)	54%	65%	60%	46%
Permanent (the job will remain lost even after the economy opens-up)	26%	20%	25%	33%
Both - there are multiple people in my household who have lost jobs and some are temporary while some are permanent)	11%	7%	10%	4%
Not sure	9%	9%	5%	17%
Approximately, when do you expect the overall U.S. economy will be able to "open up" completely?	Total	Rep.	Dem.	Ind.
By July 1st	12%	14%	7%	14%
By August 1st	16%	19%	9%	13%
By September 1st	11%	16%	11%	5%
By October 1st	10%	13%	9%	8%
Later than October 1st, but before the end of 2020	15%	11%	18%	18%
Not until after the start of 2021	25%	18%	36%	27%
Never	1%	0%	1%	1%
Don't know / Not sure	12%	8%	11%	13%
Approximately, when do you expect the Tennessee economy will be able to "open up" completely?	Total	Rep.	Dem.	Ind.
By July 1st	19%	25%	9%	19%
By August 1st	15%	17%	10%	13%
By September 1st	14%	18%	14%	8%
By October 1st	8%	10%	9%	7%
Later than October 1st, but before the end of 2020	16%	11%	23%	18%
Not until after the start of 2021	17%	11%	24%	20%
Never	1%	0%	1%	0%
Don't know / Not sure	11%	8%	10%	15%

With respect to the speed with which businesses in Tennessee are "opening up," would you say Tennessee businesses are opening up:	Total	Rep.	Dem.	Ind.
Too soon (too fast)	39%	22%	60%	45%
At about the right speed (pace)	44%	58%	33%	32%
Not soon enough (too slow)	12%	19%	1%	15%
Don't know / Not sure	5%	1%	6%	8%
Now we would like to ask you about the recent protests and riots in response to the George Floyd death. What effect do you think these protests and riots will have on the overall U.S. economy?	Total	Rep.	Dem.	Ind.
Very positive effect	5%	3%	8%	3%
Somewhat positive effect	6%	3%	12%	3%
Neither	17%	10%	28%	18%
Somewhat negative effect	29%	29%	26%	40%
Very negative effect	36%	51%	18%	29%
Don't know / Not sure	6%	3%	8%	6%

## Perceptions of the Economy: Comparison to the Nation

When compared to consumers across the rest of the country, Tennessee consumers have relatively similar views. However, Tennessee consumers are less likely to believe business conditions in the country as a whole are “good.” Conversely, Tennessee consumers are comparatively more optimistic about their future personal financial situation.

The table below shows the responses from Tennessee residents to a few key questions compared to those of a recent national sample conducted by the Conference Board ([www.conference-board.org](http://www.conference-board.org)).<sup>4</sup>

Comparing Tennessee Consumers to Consumers across the Country as a Whole	Nation (%)	TN June'20 (%)
Business conditions in the U.S. are good.	16	6
Business conditions in the U.S. are bad.	52	50
Six months from now, business conditions in the U.S. will be better.	43	40
Six months from now, business conditions in the U.S. will be worse.	21	22
Jobs are easy to find (plentiful).	17	13
Jobs are hard to find.	28	31
Six months from now, there will be more job openings.	39	40
Six months from now, there will be fewer job openings.	20	19
In 12 months, my personal financial situation (income) will be better.	14	35
In 12 months, my personal financial situation (income) will be worse.	15	9

<sup>4</sup> Source: May 26, 2020, *The Conference Board Consumer Confidence Index® Stabilizes in May* ([www.conference-board.org](http://www.conference-board.org)).

## Consumer Outlook Index with Net Change\* (Increase or Decrease) from March, 2020

		Tenn. June'20 (%)	Net Change*	West TN June'20 (%)	Net Change	Mid TN June'20 (%)	Net Change	East TN June'20 (%)	Net Change
Business conditions in the U.S. are:	Good	6	-71	5	-61	7	-72	6	-80
	In between	43		44		42		42	
	Bad	50		50		49		50	
Six months from now, business conditions in the U.S. will be:	Better	40	+13	40	+19	44	+13	38	+7
	About same	32		29		34		34	
	Worse	22		27		19		20	
Business conditions in Tennessee are:	Good	11	-55	10	-43	14	-62	9	-60
	In between	55		54		55		57	
	Bad	32		35		29		32	
Six months from now, business conditions in Tennessee will be:	Better	40	+11	36	+18	46	+9	38	+6
	About same	38		41		34		38	
	Worse	17		18		16		18	
Jobs in your area of Tennessee are (can be):	Easy to find	13	-27	13	-16	14	-36	11	-30
	Found w/effort	50		44		54		51	
	Hard to find	31		38		27		30	
In six months, there will be ___ jobs in your area of Tennessee.	More	40	+8	40	+13	45	+1	36	+10
	About same	34		32		30		40	
	Fewer	19		23		18		16	
Financially, how are you compared to a year ago?	Better	19	-12	22	0	17	-24	18	-10
	About same	52		49		57		50	
	Worse	28		29		26		30	
Financially, how will you be one year from now?	Better	35	-9	39	0	35	-10	31	-17
	About same	50		46		53		52	
	Worse	9		10		6		11	
Now is a ___ time to buy major household items.	Good time	19	-38	16	-35	22	-40	20	-40
	In between	39		39		39		39	
	Bad time	35		39		32		34	
Now is a ___ time to buy a house.	Good time	28	-24	21	-28	34	-10	28	-34
	In between	37		40		34		36	
	Bad time	28		31		23		30	
Now is a ___ time to buy a car.	Good time	31	-21	27	-18	34	-17	31	-29
	In between	39		40		40		36	
	Bad time	23		26		18		26	

## Consumer Spending, Saving, and Investments

		Tenn.	Net	West TN	Net	Mid TN	Net	East TN	Net
		June'20	Change	June'20	Change	June'20	Change	June'20	Change
		(%)		(%)		(%)		(%)	
Compared to last year, I will spend:	More	22	-19	24	-11	22	-22	20	-24
	About same	32		30		32		34	
	Less	44		46		44		44	
Compared to last year, I am saving:	More	34	+11	36	+24	34	-1	31	+9
	About same	38		37		34		41	
	Less	26		23		30		26	
In the next 12 months, I will ___ my level of saving.	Increase	40	-10	44	0	44	-13	33	-18
	Keep same	39		35		37		46	
	Decrease	14		14		14		14	
In the next 12 months, the value of the stock market will be:	Higher	40	+18	43	+26	41	+17	38	+12
	About same	21		17		24		22	
	Lower	20		24		17		20	
In 12 months the value of my savings and investments will be:	Higher	37	-5	38	-4	40	0	31	-11
	About same	33		30		34		35	
	Lower	17		21		12		20	
If I lost my job, I would survive financially.	Definitely yes	14	-1	11	-3	15	+4	16	-4
	Probably yes	23		20		27		21	
	Maybe	16		18		11		18	
	Probably no	16		16		18		13	
	Definitely no	27		31		25		26	
In 12 months the total amount of my credit card debt will be:	Higher	8	+16	8	+11	5	+10	10	+28
	About same	44		40		42		50	
	Lower	37		38		44		30	

\* The Net Change score for each question is calculated based on the change in percent of both positive (e.g., "good," "better") and negative (e.g., "bad," "worse") responses to a question. The Net Change score increases when there are more positive responses as well as when there are fewer negative responses. For example, if there are 10 percent more positive responses and four percent more negative responses, the net change score is +6. Alternatively, if there are 10 percent more positive responses and four percent fewer negative responses, then the net change score is +14. The Net Change score for the question about surviving financially after a job loss is based on the change in percent of "definitely yes" and "definitely no" responses.

## Why Measure Consumers' Outlook? — The Psychology of Consumers

The psychology of consumers can have dramatic effects on the future of the economy. Consumer spending makes up two-thirds of the American economy. Decreases in consumer outlook that translate into reduced purchasing patterns can have significant negative effects on the economy. Conversely, increases in consumer outlook that translate into accelerated consumer spending can have significant positive effects on the economy. When consumers begin to feel comfortable about the future of the economy and their own personal financial situation, they will increase their spending. Such spending will then help to grow the economy as manufacturers and service providers begin to produce more and retailers begin to fill jobs to meet increased consumer demand. This type of self-fulfilling prophecy is illustrated below.

### Self-Fulfilling Prophecy of the Consumer Outlook Cycle

Optimistic Consumer Outlook	Pessimistic Consumer Outlook
<b>Optimistic consumer outlook,</b> <i>which leads to ...</i>	<b>Pessimistic consumer outlook,</b> <i>which leads to ...</i>
<b>Increased consumer spending,</b> <i>which leads to ...</i>	<b>Decreased consumer spending,</b> <i>which leads to ...</i>
<b>Retailers hire more employees and purchase more inventory from suppliers,</b> <i>which leads to ...</i>	<b>Retailers hire fewer employees and purchase less inventory from suppliers,</b> <i>which leads to ...</i>
<b>Suppliers (manufacturers) must make more products,</b> <i>which leads to ...</i>	<b>Suppliers (manufacturers) must make fewer products,</b> <i>which leads to ...</i>
<b>Suppliers (manufacturers) hire more employees,</b> <i>which leads to ...</i>	<b>Suppliers (manufacturers) hire fewer employees,</b> <i>which leads to ...</i>
<b>More retail, service, and manufacturing employees,</b> <i>which leads to ...</i>	<b>Fewer retail, service, and manufacturing employees,</b> <i>which leads to ...</i>
<b>More consumers with paychecks who are able to spend,</b> <i>which leads to ...</i>	<b>Fewer consumers with paychecks who are able to spend,</b> <i>which leads to ...</i>
<b>Growing economy,</b> <i>which leads to ...</i>	<b>Slowing economy,</b> <i>which leads to ...</i>
<b>More optimistic consumer outlook,</b> <i>which leads to ...</i>	<b>More pessimistic consumer outlook,</b> <i>which leads to ...</i>

## About the Survey

The results reported here are based on online surveys of 625 randomly selected adult residents of Tennessee. Online surveys were conducted between June 2 and June 11, 2020. Using the panel-sampling services of Qualtrics.com, a stratified sampling procedure was used to obtain an equal representation of consumers from each region of the state. With a sample of 625 people, we can say with 95% confidence that the amount of survey error due to taking a random sample instead of surveying all members of the population is  $\pm 4\%$ . Other factors such as problems with question wording and question interpretation can also introduce additional bias or error into the results. Results from the Tennessee Consumer Outlook Surveys can be compared to national consumer surveys published monthly by the Conference Board ([www.conference-board.org](http://www.conference-board.org)). This report is also available on the MTSU Office of Consumer Research web page ([www.mtsu.edu/consumer](http://www.mtsu.edu/consumer)).

The Consumer Outlook Index is based on all 11 survey questions outlined below. The score is computed by adding the percentage of positive responses to each question and subtracting the percentage of negative responses. The Current Situation Index is based on questions 1, 3, 5, and 7. The Future Expectations Index is based on questions 2, 4, 6, and 8. The Purchasing Index is based on questions 9, 10, and 11.

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## The Tennessee Consumer Outlook Index

**[C]** = included in the Current Situation Index

**[F]** = included in the Future Expectations Index

**[P]** = included in the Purchasing Situation Index

1. **[C]** Turning first to business conditions in the country as a whole, would you say that business (economic) conditions in the country as a whole are good, bad, or somewhere in between?
2. **[F]** And how about 6 months from now? Do you expect that in the country as a whole business (economic) conditions will be better than they are today, worse than they are today, or just about the same?
3. **[C]** Now thinking about Tennessee, would you say that business (economic) conditions in the state of Tennessee are good, bad, or somewhere in between?
4. **[F]** And how about 6 months from now? Do you think that business (economic) conditions in the state of Tennessee will be better than they are today, worse than they are today, or just about the same?
5. **[C]** Now turning to the availability of jobs in middle Tennessee, would you say that jobs in the area of Tennessee where you live are easy to find, can be found with effort, or are hard to find?
6. **[F]** How about in the next 6 months? Do you think that in the area of Tennessee where you live there will be more job openings than there are now, fewer job openings than there are now, or about the same number of job openings?
7. **[C]** We are interested in how people are getting along financially these days. Would you say that you, and any family members living with you, are better off financially than you were a year ago, worse off financially than you were a year ago, or about the same?
8. **[F]** Now looking ahead, do you think that 12 months from now you, and any family members living with you, will be better off financially, worse off financially, or about the same?
9. **[P]** 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 that now is a good time for people to buy major household items, a bad time, or somewhere in between?
10. **[P]** How about buying a house? Is now a good time to buy a house, a bad time to buy a house, or somewhere in between?
11. **[P]** How about buying a car? Is now a good time to buy a car, a bad time to buy a car, or somewhere in between?