



Tennessee Consumer Outlook Index

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March 10, 2020

Tennessee Consumers' Outlook Declines as Financial Markets React to Coronavirus Fears

Tennessee consumers' outlook on the economy has declined amid recent concerns over the coronavirus and sharp declines in the stock market.¹ The Tennessee Consumer Outlook Index declined to 212 from 254 in December, 2019.² However, given the number of reasons for concern and uncertainty, including possible negative effects of the recent tornado and storm damage, consumers' outlook did not decline as much as it possible could have. The index remains in a positive range and is now back to the same level it was just six months ago.

Fortunately, consumers in Tennessee have not lost all hope. Even though the Current Situation Index and the Purchasing Index declined, the Future Expectations Index improved. This suggests some Tennessee consumers do not expect current concerns to persist, and they are slightly more optimistic about the future of the economy and their personal financial situation. The current online survey of 630 Tennessee consumers was conducted between March 2 and March 5.

Tennessee Consumer Outlook Index and Components Increase/Decrease from December 2019

	TN Mar 2020 (n=630)	Change from Dec	West TN Mar 2020 (n=210)	Change from Dec	Mid TN Mar 2020 (n=210)	Change from Dec	East TN Mar 2020 (n=210)	Change from Dec
Overall Outlook Index	212	-42	94	-90	298	-2	244	-28
Current Situation Index	71	-31	19	-43	115	-18	80	-29
Future Expectations Index	66	+11	27	-10	99	+25	72	+19
Purchasing Index	75	-22	49	-36	84	-9	92	-18

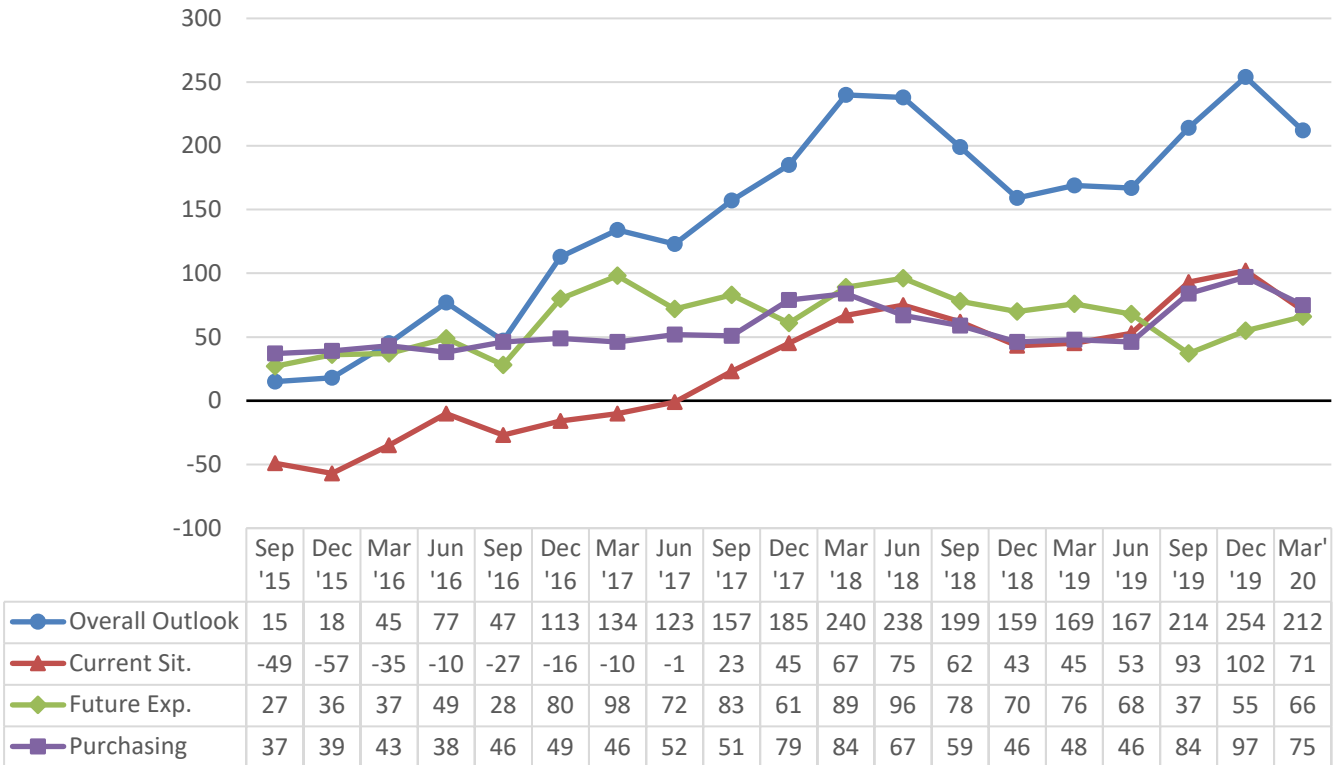
¹ The current online survey of 630 Tennessee residents was conducted between December 4 and December 9.

² 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 of 2015.

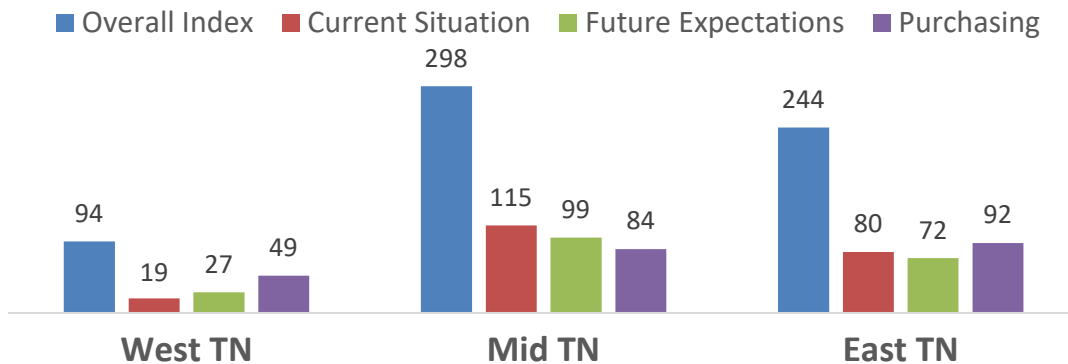
Tennessee Consumer Outlook Index



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.

Tennessee Consumer Outlook Index Results by Region



U.S. and Tennessee Economy

The Current Economy. Recent negative news reports about the coronavirus and the accompanying sharp declines in the stock market have led to deteriorating views of the overall economy. The percent who said business conditions in the U.S. are “good” declined to 39 from 45 in December. However, this is still more than three times the 12 percent who said business conditions are “bad.” Similarly, the percent who said business conditions in Tennessee are “good” dropped to 43 from 51. However, this is still more than four times the 9 percent who said conditions in Tennessee are “bad.” Expectations for the future U.S. and Tennessee economies remained unchanged and relatively optimistic.

Jobs and Employment. Perceptions of the job market also declined. The percent who said jobs are “easy to find” slid to 29 from 34. As with the overall economy, expectations for the future job market remained unchanged and optimistic. More than twice as many consumers expect there will be “more jobs” in the next six months (27%) versus “fewer jobs” (13%).

The Future, Personal Finances, and Spending

Personal Finances. Even though recent events have dampened consumers’ views of the overall economy, expectations for the future economy and personal finances improved. The percent who expect to be “better off” financially 12 months from now rose to 44 from 34 in December. Further, the percent who expect to “increase” their level of saving in the next 12 months gained to 47 from 36. The percent who said the total amount of their credit card debt will be “lower” improved to 49 from 42. The ability to increase consumer savings and reduce credit card debt can bode well for future spending.

Stock Market and Investments. Even with the recent dramatic drop in the stock market, perceptions of the stock market diminished only slightly. The percent who expect the value of the U.S. stock market to be “higher” 12 months slipped slightly to 26 from 28. The percent who expect it to be “lower” edged up to 24 from 22. While the percent who expect the value of their savings and investment to be “higher” 12 months from now declined only minimally to 37 from 38, the percent who expect it to be “lower” also declined to 13 from 16.

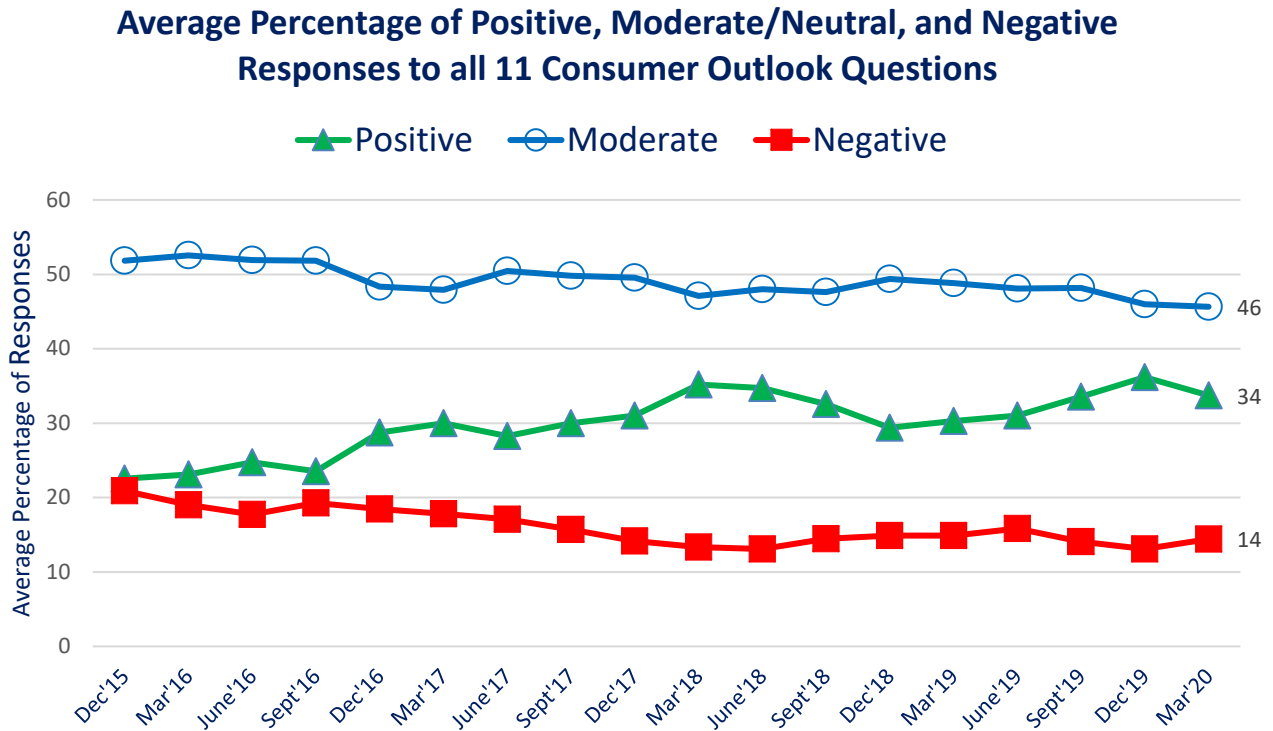
Consumer Spending. Apprehension and uncertainty can lead to decreased consumer spending. The percent who said they expect to spend “more” than they spent last year dipped to 25 from 29. The percent who expect to spend “less” rose to 28 from 22.

The Final Word

In sum, negative news regarding the coronavirus and the recent sharp declines in the stock market have negatively impacted consumers’ views of the overall economy. However, such recent events are not significantly affecting consumers’ expectations for their personal finances. Any decreases in consumer spending might be short lived. As more consumers take a wait-and-see approach to spending, this can allow them to increase savings and decrease their credit card debt. These efforts can set the stage for increased consumer spending in the future after the coronavirus situation has been resolved and the financial markets settle down.

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. When responding to our questions, the vast majority of consumers think economic conditions are “good” or “in between” and think future economic conditions will be “better” or “stay the same.” Relatively few (14 percent) think economic conditions are “bad” or think future economic conditions will be “worse.”



Perceptions of the Economy—In One Word

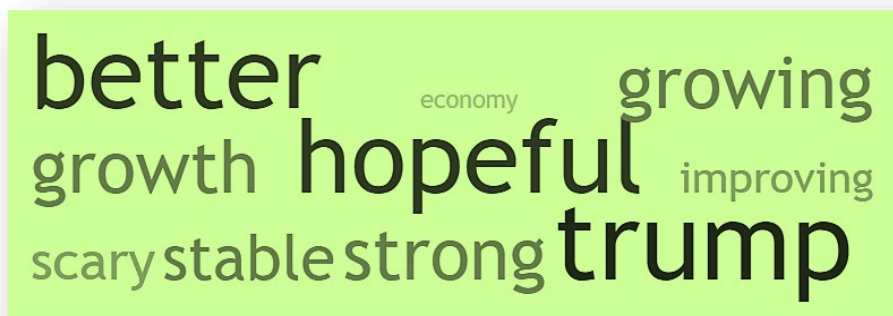
Consumers were asked to rate the future of the overall U.S. economy on a 0 to 10 scale, where 0 means there is likely to be a major recession, and 10 means the economy will grow and expand at a very fast pace. They were then asked to identify the word, or words, that came to mind when thinking about the future of the overall U.S. economy.

The word clouds below show the 10 most frequently mentioned words for those who are relatively pessimistic about the economy versus those who are more optimistic. The larger the word, the more frequently it was mentioned. This can provide clues about the thoughts on consumers' minds as they responded to the survey.

Pessimistic Consumers. The word cloud below shows the words most often mentioned by more pessimistic consumers responding 0-6 on the scale (n=263; 42% of the total sample). No single topic or issue dominates consumers' thoughts. Rather, a general uncertainty and fear drives these consumers' outlook. Interestingly, only four consumers mentioned the coronavirus. Concerns about the coronavirus negatively impacting the overall economy are not on the top of consumers' minds. Apparently, such fears might originate more from the media than from consumers.



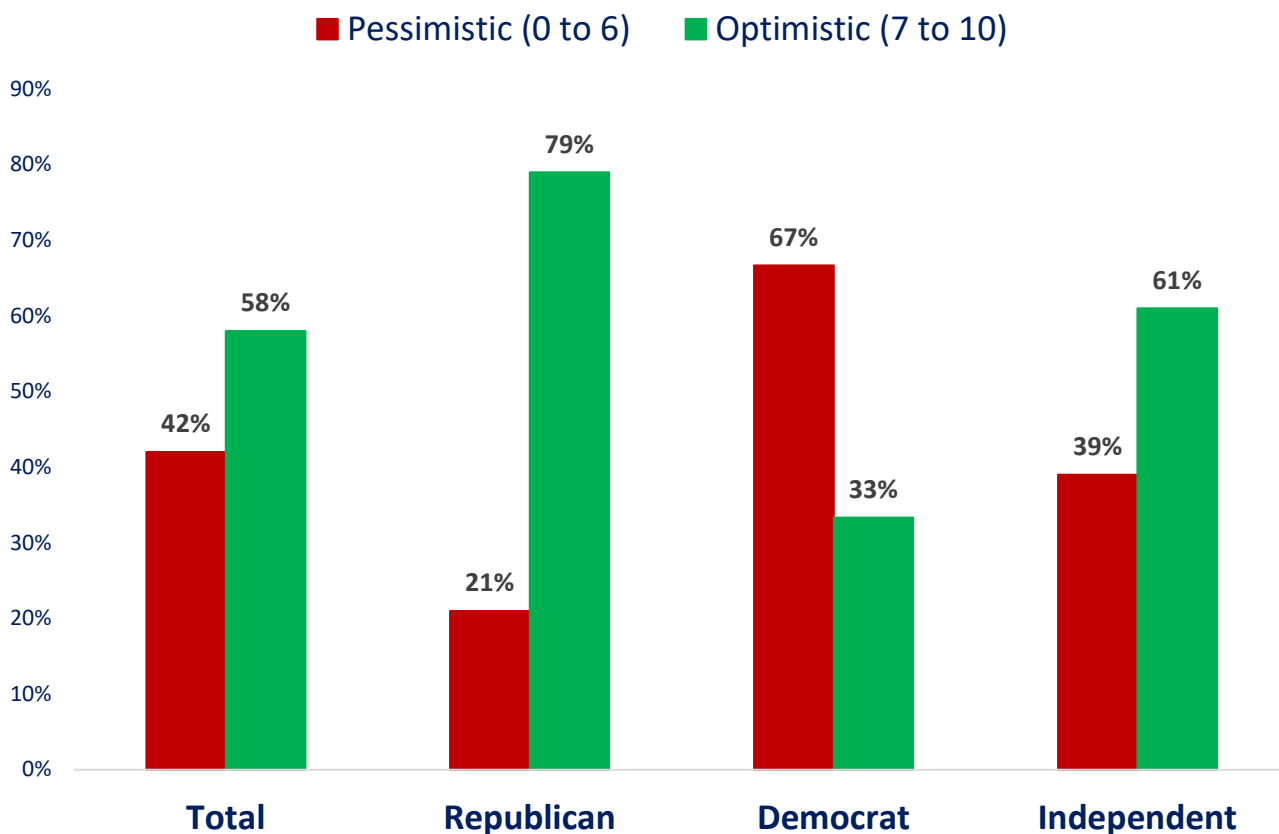
Optimistic Consumers. The word cloud below shows the words most frequently mentioned by more optimistic consumers responding 7-10 on the scale (n=367; 58% of the total sample). As with the pessimistic consumers, no one topic or issue dominates consumers' thoughts. President Trump is seen as a reason for pessimism for some consumers, and a reason for optimism for other consumers.



Political Affiliation and Economic Optimism

The chart below shows the percentage of consumers who rated the future of the economy pessimistically (0-6 on the scale) versus optimistically (7-10 on the scale). Republican consumers were much more likely to be optimistic about the economy compared to Democrats who were more pessimistic. Independents were slightly less opinionated, but tended to be 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)**



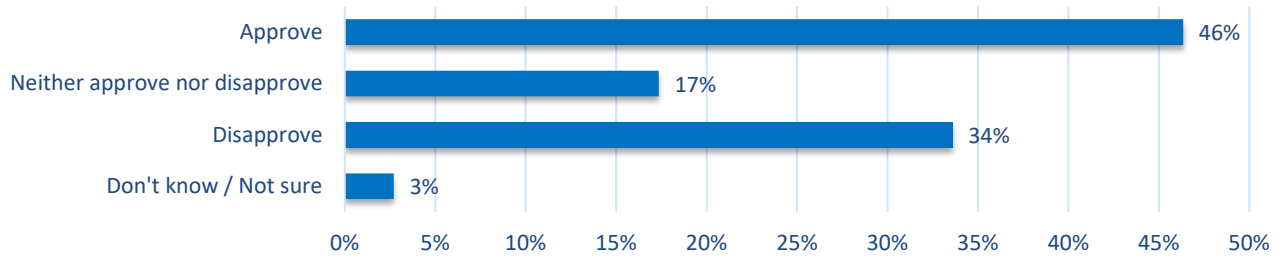
Politics, Presidential Candidates, and the Economy

Respondents were also asked questions about political candidates, the effects of economic policies on the economy, and their personal financial situation. Charts showing these results are presented on the next two pages.

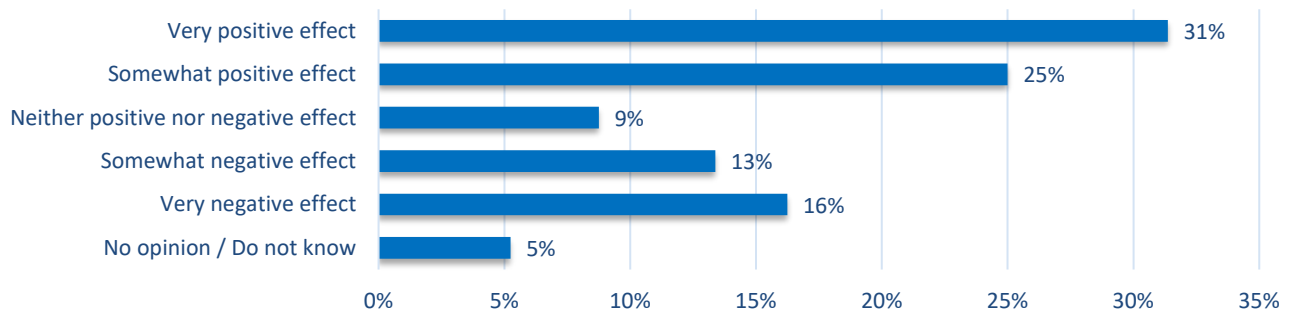
Noteworthy findings include:

- More consumers approve (46%) than disapprove (34%) of the way President Trump is handling the economy.
- The majority believe President Trump's economic policies have had a positive effect on the economy (56%), versus a negative effect (29%).
- Most believe President Trump's economic policies have had a positive effect on employment and the number of jobs available (55%), versus a negative effect (21%).
- More consumers believe the president's policies have had a positive effect on their personal financial situation (36%), versus a negative effect (19%). Economic policies are more likely to be seen as affecting the overall economy than an individual consumer's personal financial situation.
- Consumers are less certain about the likely effects of the new USMCA (United States-Mexico-Canada Agreement) on the economy. Of those with an opinion, more expect it to have a positive effect (34%), versus a negative effect (13%).
- More consumers trust President Trump with respect to the economy (51%), versus distrust (37%).
- In general, perceptions of President Trump's policies follow political party lines. Those who identified themselves as republicans had significantly more positive views compared to the strongly negative views from those who identified themselves as democrats (see pages 14-17).
- When asked which presidential candidate they trust with the U.S. economy, most selected Donald Trump (49%), followed by Joe Biden (23%), and then Bernie Sanders (17%).
- President Trump enjoys greater support from republicans than does Joe Biden from democrats. Significantly more republicans selected President Trump as someone they trusted with the economy (89%), than democrats who selected Joe Biden (60%). Further, more independent voters selected President Trump (43%) than Joe Biden (26%).

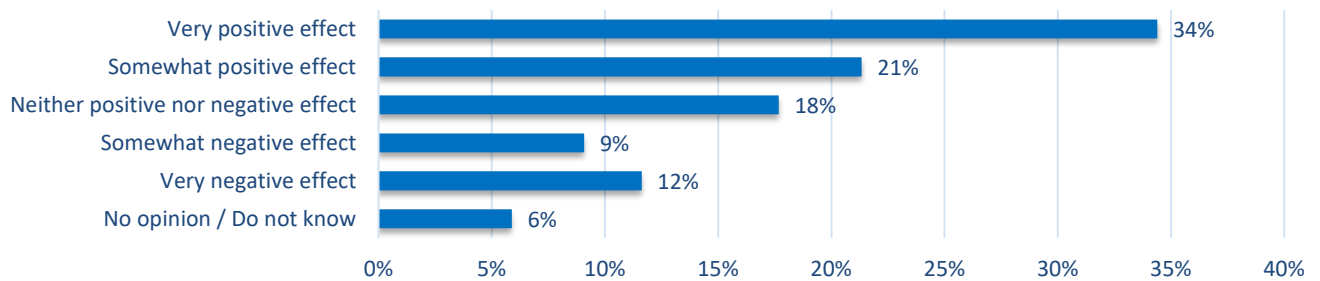
Do you approve or disapprove of the way President Trump is handling the economy?



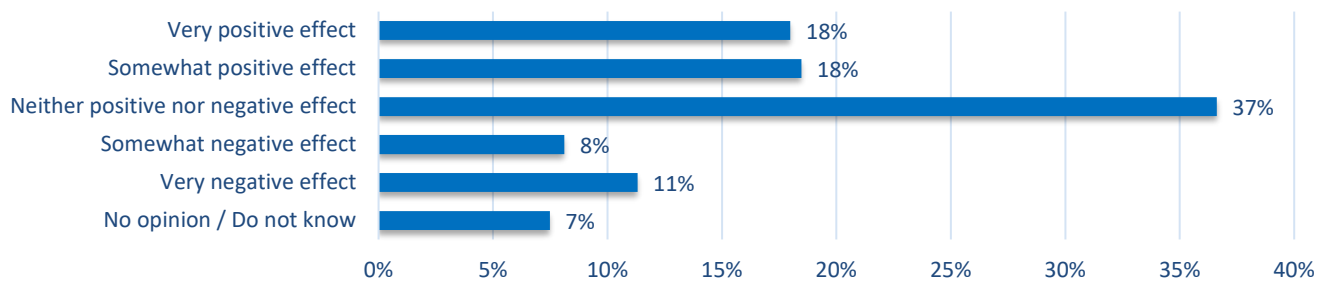
What effect has President Trump's economic policies had on the overall American economy?



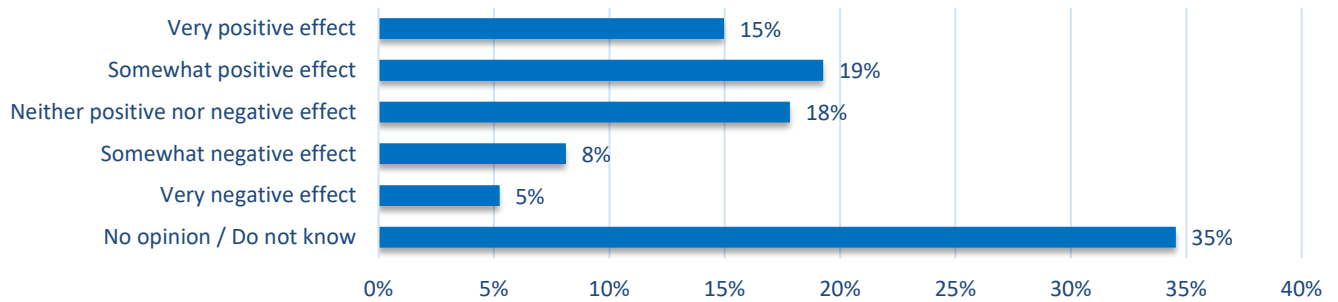
What effect has President Trump's economic policies had on employment and the number of jobs available?



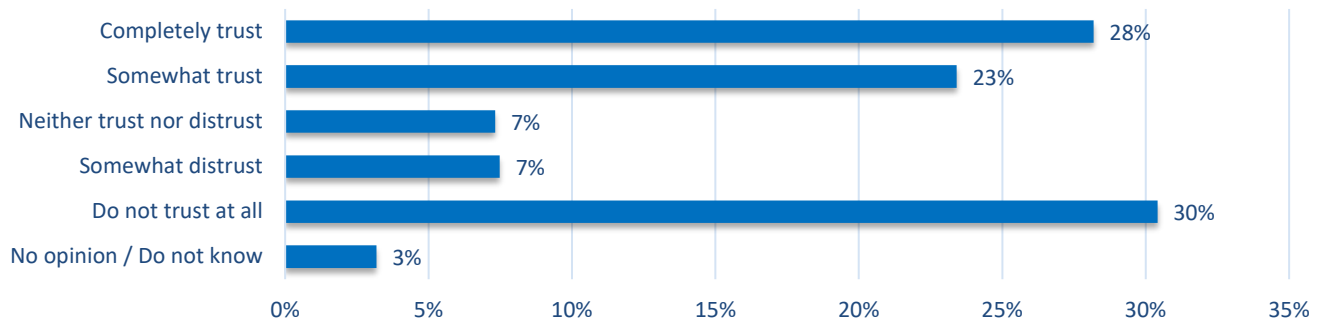
What effect has President Trump's economic policies had on your personal financial situation?



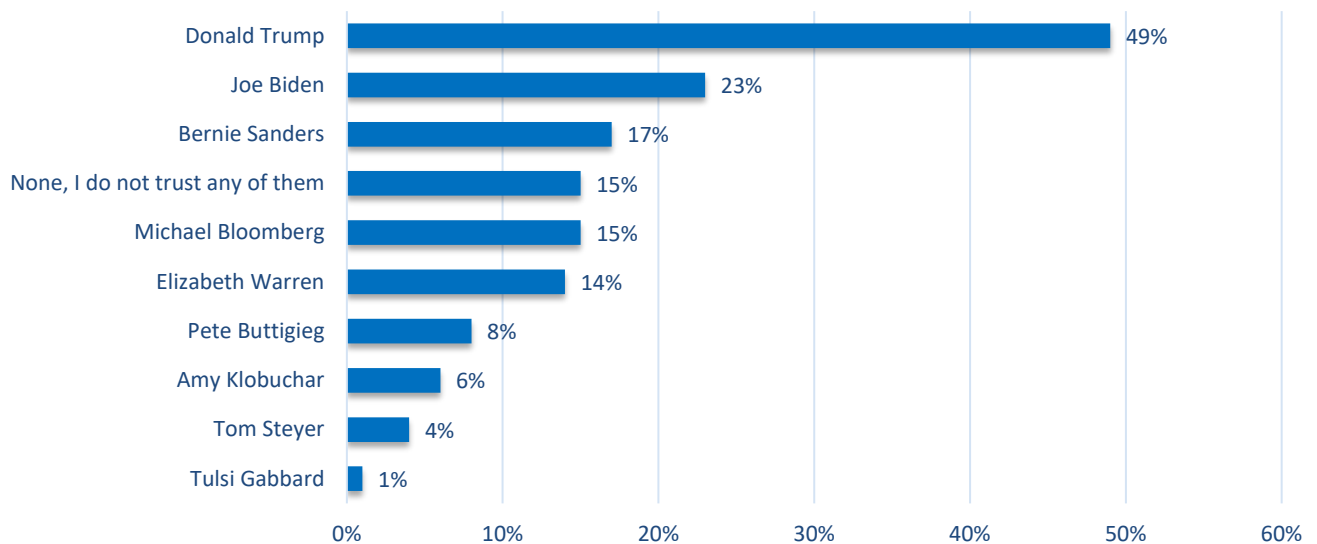
What effect will the new USMCA (United States-Mexico-Canada Agreement) have on the overall U.S. economy?



To what extent do you trust President Trump with respect to the U.S. economy?



Which of the following presidential candidates do you trust with respect to the U.S. economy? (select all those you trust)



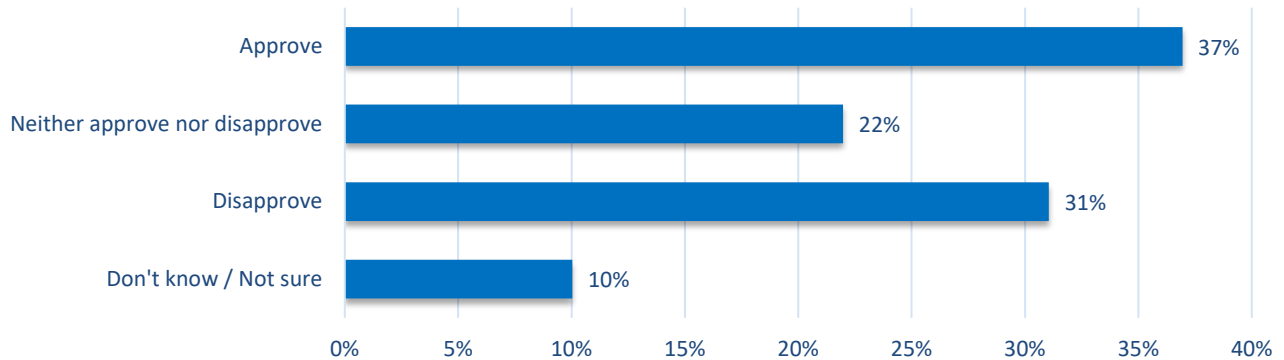
Coronavirus and the Economy

Given the significant amount of news media coverage given to the coronavirus and its effects on health and financial markets, respondents were asked a few questions regarding the possible effects of the coronavirus on the overall economy. Charts showing these results are presented on the next three pages.

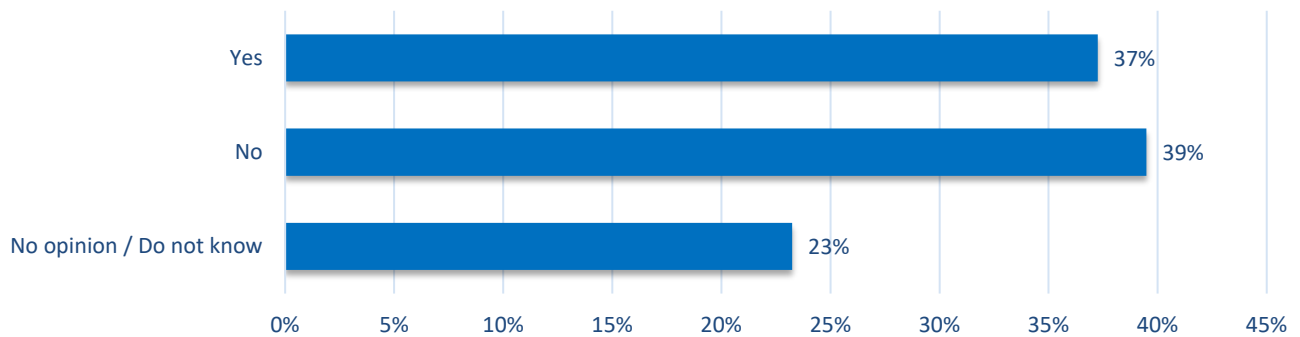
Noteworthy findings include:

- Slightly more consumers approve of the way President Trump is handling the situation with the coronavirus (37%), versus disapprove (31%).
- However, slightly more believe President Trump has not done everything in his power to protect U.S. citizen from an outbreak of the coronavirus (39%), versus he has (37%).
- More trust President Trump to handle the situation with the coronavirus (46%), versus not trust (36%).
- When asked which presidential candidate they most trust to handle the situation with the coronavirus, more selected President Trump (46%), followed by Joe Biden (24%), and then Bernie Sanders (19%). One-in-five (21%) said they do not trust any of the presidential candidates to handle the situation with the coronavirus.
- As with handling the economy, significantly more republicans selected President Trump as someone they trust with respect to handling the situation with the coronavirus (85%), than democrats who selected Joe Biden (55%). More independent voters selected President Trump (36%) than Joe Biden (26%).
- The majority (52%) believe the U.S. Congress has not done everything in its power to protect U.S. citizens from an outbreak of the coronavirus, versus it has (18%).
- In general, the recent events regarding the coronavirus are not expected to have a significant effect on consumer spending. Only 12 percent said they expect to decrease their level of spending, and the same number expect to increase their spending. Nearly two-thirds (64%) expect it to have no effect on their level of spending.
- Further, nearly seven out of ten consumers (68%) report they have not purchased, or increased their supply of, any items in response to the recent reports of the coronavirus. Of those who have, the most purchased items are hand sanitizer/hand soap (21%), household cleaning products (17%), food/drink (16%), and paper goods (15%).
- Democrat consumers were more likely to report purchasing items (45%), than were republicans (25%).

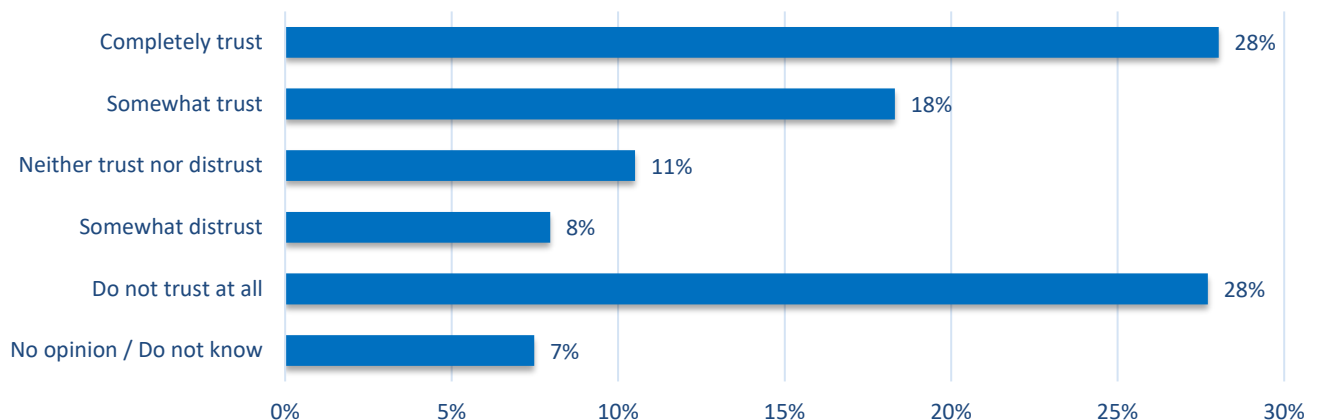
Do you approve or disapprove of the way President Trump is handling the situation with the coronavirus?



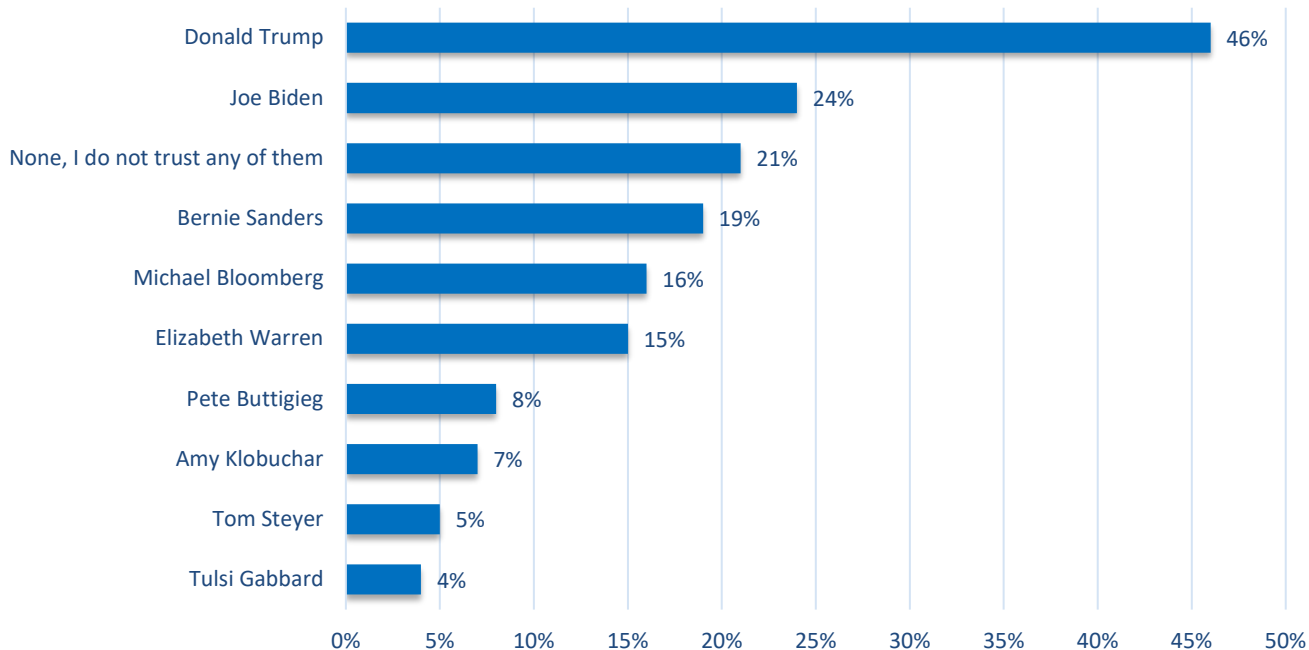
Do you believe President Trump has done everything in his power to protect U.S. citizens from an outbreak of the coronavirus?



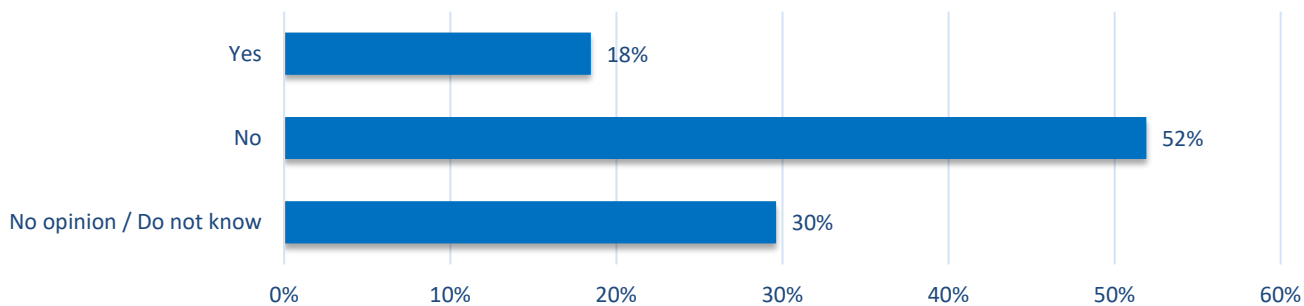
To what extent do you trust President Trump with respect to handling the situation with the coronavirus?



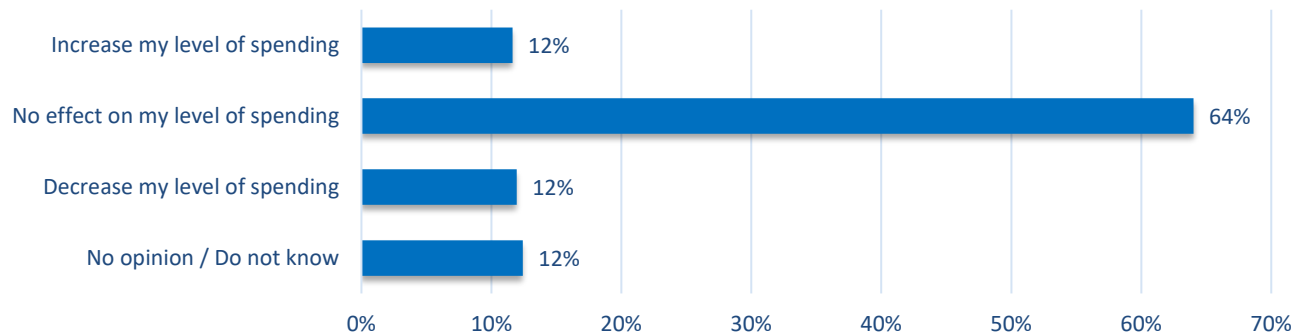
Which of the following presidential candidates do you trust with respect to handling the situation with the coronavirus? (select all those you trust)



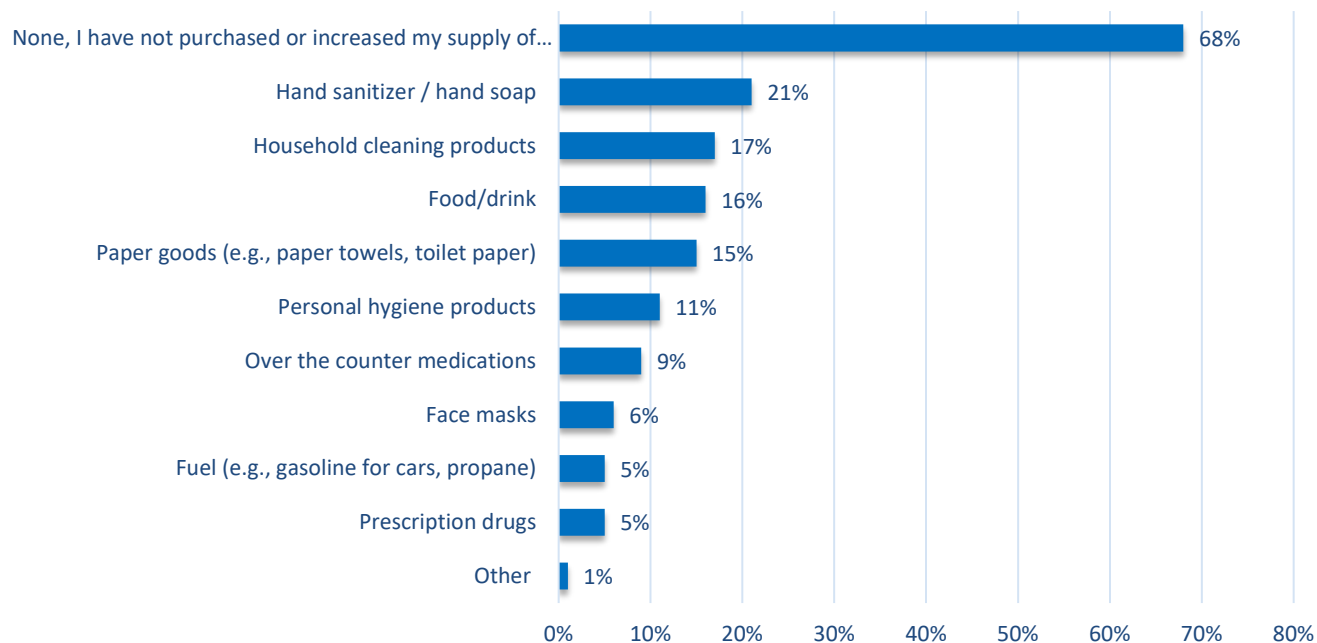
Do you believe the U.S. Congress has done everything in its power to protect U.S. citizens from an outbreak of the coronavirus?



What effect, if any, do you think the recent events regarding the coronavirus will have on your overall level of consumer spending for the next few months?



**Have you recently purchased, or increased your supply of, any of the following items in response to recent reports of the coronavirus?
(check all those you have purchased or increased your supply of)**



Perceptions of Economic Policies and the Coronavirus by Political Affiliation

Do you approve or disapprove of the way President Donald Trump is handling the economy?	Rep.	Dem.	Ind.
Approve	87%	6%	34%
Neither approve nor disapprove	7%	10%	29%
Disapprove	4%	83%	35%
Don't know / Not sure	1%	1%	3%
What effect has President Trump's economic policies had on the overall American economy?			
	Rep.	Dem.	Ind.
Very positive effect	62%	4%	22%
Somewhat positive effect	29%	9%	30%
Neither positive nor negative effect	2%	9%	16%
Somewhat negative effect	3%	29%	14%
Very negative effect	2%	44%	14%
No opinion / Do not know	2%	4%	4%
What effect has President Trump's economic policies had on employment and the number of jobs available?			
	Rep.	Dem.	Ind.
Very positive effect	65%	4%	25%
Somewhat positive effect	22%	11%	29%
Neither positive nor negative effect	7%	27%	21%
Somewhat negative effect	3%	19%	11%
Very negative effect	1%	33%	8%
No opinion / Do not know	2%	6%	6%
What effect has President Trump's economic policies had on your personal financial situation?			
	Rep.	Dem.	Ind.
Very positive effect	37%	2%	7%
Somewhat positive effect	31%	6%	17%
Neither positive nor negative effect	27%	39%	48%
Somewhat negative effect	2%	17%	6%
Very negative effect	0%	29%	12%
No opinion / Do not know	3%	8%	10%
What effect will the new USMCA (United States-Mexico-Canada Agreement) have on the overall U.S. economy?			
	Rep.	Dem.	Ind.
Very positive effect	30%	2%	9%
Somewhat positive effect	26%	12%	22%
Neither positive nor negative effect	15%	22%	18%
Somewhat negative effect	2%	16%	9%
Very negative effect	1%	12%	4%
No opinion / Do not know	27%	35%	38%

To what extent do you trust President Trump with respect to the U.S. economy?	Rep.	Dem.	Ind.
Completely trust	58%	2%	16%
Somewhat trust	32%	5%	30%
Neither trust nor distrust	4%	5%	9%
Somewhat distrust	1%	13%	12%
Do not trust at all	3%	73%	32%
No opinion / Do not know	1%	2%	1%
Do you approve or disapprove of the way President Trump is handling the situation with the coronavirus?			
	Rep.	Dem.	Ind.
Approve	69%	5%	24%
Neither approve nor disapprove	20%	15%	26%
Disapprove	4%	72%	37%
Don't know / Not sure	7%	8%	12%
Do you believe President Trump has done everything in his power to protect U.S. citizens from an outbreak of the coronavirus?			
	Rep.	Dem.	Ind.
Yes	67%	6%	28%
No	10%	81%	50%
No opinion / Do not know	23%	14%	23%
To what extent do you trust President Trump with respect to handling the situation with the coronavirus?			
	Rep.	Dem.	Ind.
Completely trust	56%	1%	18%
Somewhat trust	28%	5%	20%
Neither trust nor distrust	6%	8%	13%
Somewhat distrust	2%	13%	9%
Do not trust at all	2%	67%	34%
No opinion / Do not know	6%	6%	6%
Do you believe the U.S. Congress has done everything in its power to protect U.S. citizens from an outbreak of the coronavirus?			
	Rep.	Dem.	Ind.
Yes	30%	8%	16%
No	39%	67%	60%
No opinion / Do not know	31%	25%	24%

Which of the following presidential candidates do you trust with respect to the U.S. economy? (select all those you trust)	Rep.	Dem.	Ind.
Donald Trump	89%	4%	43%
Joe Biden	3%	60%	26%
Michael Bloomberg	6%	29%	24%
Pete Buttigieg	1%	14%	16%
Tulsi Gabbard	1%	1%	3%
Amy Klobuchar	2%	11%	8%
Bernie Sanders	3%	37%	21%
Tom Steyer	1%	6%	6%
Elizabeth Warren	3%	34%	15%
None, I do not trust any of them	7%	10%	13%
Which of the following presidential candidates do you trust with respect to handling the situation with the coronavirus? (select all those you trust)			
	Rep.	Dem.	Ind.
Donald Trump	85%	6%	36%
Joe Biden	7%	55%	26%
Michael Bloomberg	6%	33%	23%
Pete Buttigieg	2%	16%	12%
Tulsi Gabbard	2%	4%	8%
Amy Klobuchar	2%	13%	9%
Bernie Sanders	3%	40%	23%
Tom Steyer	2%	8%	8%
Elizabeth Warren	2%	39%	18%
None, I do not trust any of them	12%	14%	27%
What effect, if any, do you think the recent events regarding the coronavirus will have on your overall level of consumer spending for the next few months?			
	Rep.	Dem.	Ind.
Increase my level of spending	8%	15%	10%
No effect on my level of spending	74%	51%	64%
Decrease my level of spending	7%	24%	12%
No opinion / Do not know	10%	11%	13%

Have you recently purchased, or increased your supply of, any of the following items in response to recent reports of the coronavirus? (check all those you have purchased or increased your supply of)	Rep.	Dem.	Ind.
None, I have <u>not</u> purchased or increased my supply of anything in response to the coronavirus	75%	55%	67%
Hand sanitizer / hand soap	18%	32%	17%
Household cleaning products	13%	28%	15%
Food / drink	12%	22%	16%
Paper goods (e.g., paper towels, toilet paper)	11%	21%	14%
Personal hygiene products	8%	16%	12%
Over the counter medications	8%	12%	7%
Face masks	5%	11%	4%
Fuel (e.g., gasoline for cars, propane)	6%	4%	3%
Prescription drugs	5%	6%	5%
Other (please specify below)	1%	2%	1%

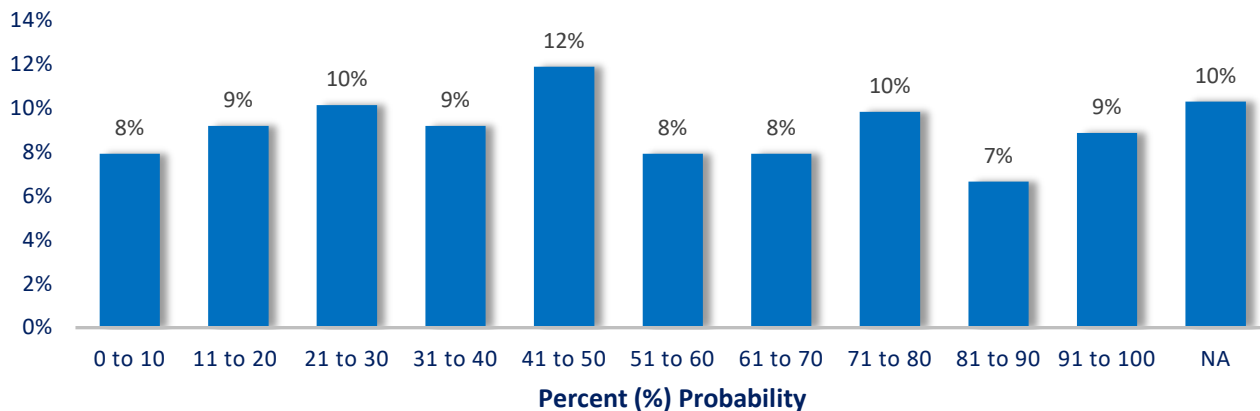
Probability of Negative Effects of Coronavirus

Respondents were also asked to indicate on a scale from 0–100 the percent probability the coronavirus will have negative effects on the economy.

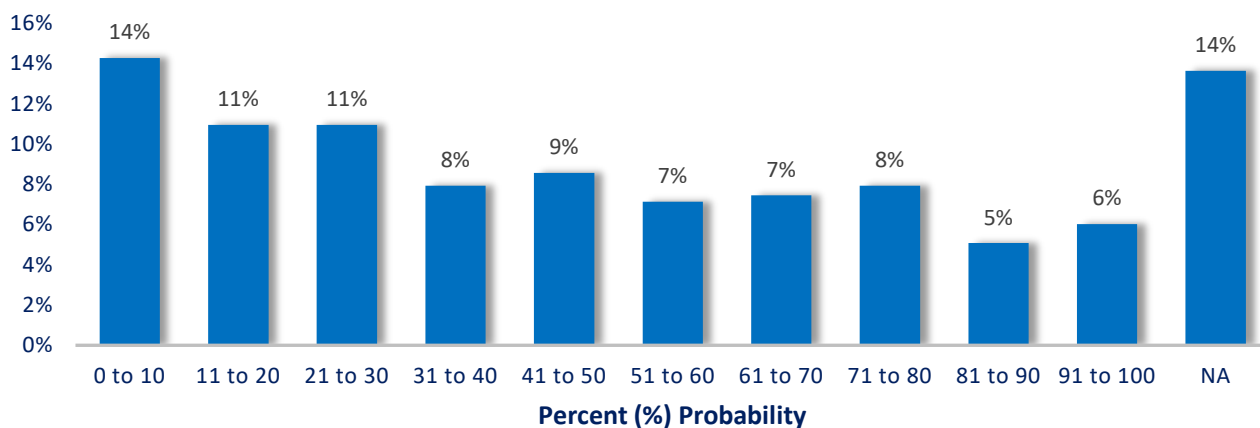
Noteworthy findings include:

- There is little agreement among consumers regarding the likely negative impact of the coronavirus. Almost half (48%) of consumers report there is less than a 50/50 chance the coronavirus will become a serious health threat to the U.S. Conversely, 42 percent say there is more than a 50/50 chance it will become a serious health threat.
- Most (53%) say there is less than a 50/50 chance the coronavirus will have a long-term negative effect on the overall U.S. economy, compared to only one-third (33%) who say there is more than a 50/50 chance it will have long-term negative effects.
- Only 9 percent think there is more than a 50/50 chance of becoming infected with the coronavirus. Most (40%) say there is less than a 10 percent chance of becoming infected.

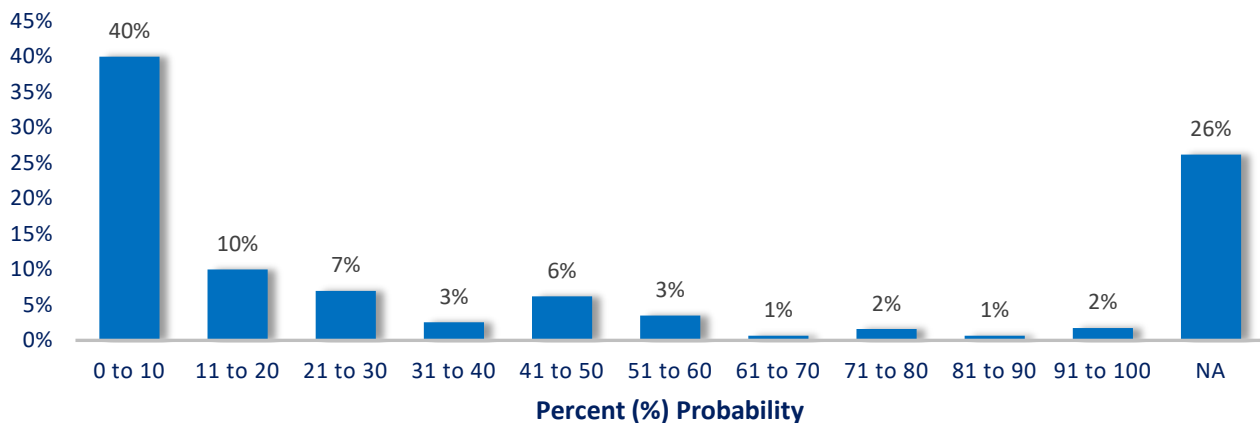
What is the percent (%) probability the coronavirus will become a serious health threat to the U.S.?



What is the percent (%) probability the coronavirus will have a long-term negative effect on the overall U.S. economy?



What is the percent (%) probability you, personally, will become infected with the coronavirus?



Perceptions of the Economy: Comparison to the Nation

When compared to consumers across the rest of the country, Tennessee consumers have similar views of the overall U.S. economy, but they hold less positive views of the current job market. Conversely, Tennessee consumers are comparatively more optimistic about the future job market and 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).³

Comparing Tennessee Consumers to Consumers across the Country as a Whole	Nation (%)	TN Mar'20 (%)
Business conditions in the U.S. are good.	39	39
Business conditions in the U.S. are bad.	12	12
Six months from now, business conditions in the U.S. will be better.	20	25
Six months from now, business conditions in the U.S. will be worse.	7	19
Jobs are easy to find (plentiful).	45	29
Jobs are hard to find.	15	20
Six months from now, there will be more job openings.	16	27
Six months from now, there will be fewer job openings.	11	13
In 12 months my personal financial situation (income) will be better.	22	44
In 12 months my personal financial situation (income) will be worse.	7	9

³ Source: February 25, 2020, "The Conference Board Consumer Confidence Index® Increased Slightly in February" (www.conference-board.org).

Consumer Outlook Index with Net Change* (Increase or Decrease) from December 2019

		Tenn. Mar'20 (%)	Net Change*	West TN Mar'20 (%)	Net Change	Mid TN Mar'20 (%)	Net Change	East TN Mar'20 (%)	Net Change
Business conditions in the U.S. are:	Good	39	-8	34	-11	41	-10	43	-2
	In between	45		47		45		42	
	Bad	12		18		11		8	
Six months from now, business conditions in the U.S. will be:	Better	25	+1	19	-8	30	+5	26	+4
	About same	49		48		48		50	
	Worse	19		25		18		15	
Business conditions in Tennessee are:	Good	43	-7	33	-14	51	-1	45	-5
	In between	44		49		41		43	
	Bad	9		15		5		8	
Six months from now, business conditions in Tennessee will be:	Better	24	-1	17	-8	33	+5	24	-1
	About same	56		57		50		59	
	Worse	13		18		11		10	
Jobs in your area of Tennessee are (can be):	Easy to find	29	-10	19	-10	37	-11	30	-10
	Found w/effort	49		50		49		48	
	Hard to find	20		28		13		20	
In six months, there will be ___ jobs in your area of Tennessee.	More	27	0	20	0	34	+1	25	+1
	About same	53		55		52		53	
	Fewer	13		16		8		15	
Financially, how are you compared to a year ago?	Better	27	-6	20	-9	37	+4	24	-12
	About same	46		51		40		49	
	Worse	25		28		22		26	
Financially, how will you be one year from now?	Better	44	+10	40	+5	47	+13	44	+15
	About same	42		44		39		43	
	Worse	9		10		9		7	
Now is a ___ time to buy major household items.	Good time	34	-9	29	-12	39	-10	33	-7
	In between	44		45		40		47	
	Bad time	11		17		9		8	
Now is a ___ time to buy a house.	Good time	40	-4	38	-11	40	+2	44	-1
	In between	32		33		31		33	
	Bad time	17		19		19		11	
Now is a ___ time to buy a car.	Good time	39	-8	33	-12	41	-1	42	-11
	In between	42		43		41		40	
	Bad time	10		15		9		8	

Consumer Spending, Saving, and Investments

		Tenn.	Net	West TN	Net	Mid TN	Net	East TN	Net
		Mar'20	Change	Mar'20	Change	Mar'20	Change	Mar'20	Change
		(%)		(%)		(%)		(%)	
Compared to last year, I will spend:	More	25	-10	23	-13	26	-7	25	-11
	About same	45		41		45		48	
	Less	28		33		26		25	
Compared to last year, I am saving:	More	27	-1	24	-8	32	+7	27	-2
	About same	40		40		40		40	
	Less	30		35		26		30	
In the next 12 months, I will ___ my level of saving.	Increase	47	+12	42	+4	53	+18	46	+14
	Keep same	38		40		33		40	
	Decrease	10		12		10		10	
In the next 12 months, the value of the stock market will be:	Higher	26	-4	21	-11	27	-2	29	0
	About same	27		27		29		26	
	Lower	24		29		20		23	
In 12 months the value of my savings and investments will be:	Higher	37	+2	34	+2	41	+5	36	+1
	About same	37		40		37		34	
	Lower	13		12		13		13	
If I lost my job, I would survive financially.	Definitely yes	16	-9	15	-7	16	-11	18	-9
	Probably yes	19		19		22		16	
	Maybe	17		19		17		16	
	Probably no	16		16		17		15	
	Definitely no	27		28		23		30	
In 12 months the total amount of my credit card debt will be:	Higher	3	-8	4	-6	4	-7	2	-13
	About same	37		42		32		38	
	Lower	49		45		52		50	

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

About the Survey

The results reported here are based on online surveys of 630 randomly selected adult residents of Tennessee. Online surveys were conducted between March 2 and March 5, 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 630 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). This report is also available on the MTSU Office of Consumer Research web page (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?