Outline

• Description of CCI-N process
• Survey and index methodology
• January 2016 CCI-N results
• Future uses and CCI-N releases
CCI-N Process

- Monthly random survey of Nebraska households

- Questions regarding
  - Current and future household financial conditions and purchase plans
  - Top financial issues faced by households

- CCI-N calculated based on answers

- Results released first Friday of each month
Survey Sample

• A sample of 500 Nebraska households randomly selected from the SurveyGenie database

• Survey sent to all households at the beginning of the month, sent again to non-respondents in the middle of the month
Survey Questions

Survey of Consumer Confidence in Nebraska
University of Nebraska–Lincoln Bureau of Business Research

Directions: Please answer the following questions about yourself and your household. The last four questions are used for demographic purposes, and participation to this survey is on a voluntary basis. Survey results are presented only in summary form. Your participation is important to the accuracy of those summary results.

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, worse, or about the same as you were over the previous 6 months?
   □ Better off  □ Worse off  □ About the same

2) Now looking ahead – do you think that 6 months from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?
   □ Better off  □ Worse off  □ About the same

3) Do you think now is a good or bad time for people to make a major purchase such as a vehicle, appliances, furniture, or electronics?
   □ Good time  □ Bad time  □ About the same

4) During the next 6 months, do you expect that it will be a good, or bad time for people to purchase major household items?
   □ Good time  □ Bad time  □ About the same

5) What is the most important financial issue facing your household today? ________________________________
Survey Questions

6) Please indicate the gender you identify with.
   - Male
   - Female

7) What is your year of birth? _______________________________________

8) What is the total number of residents in your household? ________________________________

9) What is your range of household income per year? Please choose one option only.
   - Less than 20,000
   - 20,000 - 30,000
   - 30,000 - 40,000
   - 40,000 - 50,000
   - 50,000 - 70,000
   - 70,000 - 100,000
   - More than 100,000

Thank you for your participation!

Please use the enclosed pre-paid envelope and return the survey to:
347 College of Business Administration Building, University of Nebraska-Lincoln, Lincoln, NE 68588-0406
Survey Questions

• Two questions about current conditions

  – 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, worse, or about the same as you were over the previous 6 months?

  – Do you think now is a good or bad time for people to make a major purchase such as a vehicle, appliances, furniture, or electronics?
Survey Questions

- Two questions about future conditions
  - Now looking ahead – do you think that 6 months from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?
  - During the next 6 months, do you expect that it will be a good, or bad time for people to buy major household items?
Index Calculations

• Follow Methodology From U.S. Consumer Sentiment Index (University of Michigan)

• For each component, calculation
  – 100 + (% giving favorable replies - % giving unfavorable replies)
  – sum over components and divide by 4
Index Interpretation

• CCI-N = 100, there were an equal number of favorable and unfavorable replies
  – Consumer confidence is neutral

• CCI-N > 100, consumer confidence is strong

• CCI-N < 100, consumer confidence is weak
Additional Survey Question

• Question
  – What is the most important financial issue facing your household today?

• Open-ended responses placed into 12 categories

• Report the share of responses in each category
Results for January 2016

• CCI-N Value=84.7
  – Consumers confidence is weak

• Declined by 4.3 since the previous month
  – December 2015=89.03
## Results for January 2016

<table>
<thead>
<tr>
<th>Category</th>
<th>Current</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Conditions</td>
<td>89.3</td>
<td>84.5</td>
</tr>
<tr>
<td>Major Household Purchase</td>
<td>76.2</td>
<td>88.9</td>
</tr>
</tbody>
</table>
Most Important Financial Issue Facing Nebraska Households: January 2016

Figure 1: Most Important Financial Problem Facing Nebraska Households, January 2016

Note: Percentages may not sum to 100% due to rounding.
Most Important Financial Issue Facing Nebraska Businesses: January 2016

Figure 1: Most Important Financial Problem Facing Nebraska Households, January 2016

Note: Percentages may not sum to 100% due to rounding
Most Important Financial Issue
January 2016

- 16% Saving
- 9% Taxes
- 9% Paying Off Debt
- 7% Level of Wages/Income
- 13% Cost of Health Care/Insurance
- 12% Concerns with Employment/Business
- 14% Cost of Living
- 7% Major Expense
- 6% Financial Market Performance
- 5% Other
Most Important Financial Issue
January 2016

- Taxes, health care costs, major expenses and other cost of living (43%)
- Savings or paying-off debt (25%)
- Current income or concerns about job or business (19%)
Future Uses: Add to LEI-N

- Add to the Leading Economic Indicator – Nebraska
  - Future expectations added to LEI-N
  - Current conditions added to CEI-N

- The decision about whether to add will require a full year of CCI-N data
Future Uses: Demographic Variation

- Consolidate data over multiple months and examine how consumer confidence varies by:
  - Age of respondent
  - Gender
  - Household income
Future Uses: Household Financial Issues

- Consolidate data over multiple months and examine how most important financial issue varies by:
  - Age of respondent
  - Gender
  - Household income
Future Uses: Other Research

- Researchers have the option to add several questions to the monthly Survey of Nebraska households
  - A random survey with a significant response rate (between 25% and 40%)
  - Demographic information about respondents
  - Potential to ask the same question for multiple months, or the same month in multiple years
Survey Release Schedule

• Future Releases on First Friday of each month
  – March 4
  – April 1
  – May 6
  – June 3

• Released each month along with the results of the Survey of Nebraska Business
THANK YOU

ANY QUESTIONS?
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