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Regional Consumers Made Major Purchases, Planning More

Arvest Consumer Sentiment Survey Shows Spending Plans Continue to Rise

FAYETTEVILLE, Ark. (Nov. 22, 2016) – Consumers in the Arkansas, Missouri and Oklahoma region said they have made major household purchases in the last six months and plan to make at least one more major purchase in the next six months, according to final information released today from the Arvest Consumer Sentiment Survey.

Those are among the more noticeable findings from the third installment of the Fall 2016 Arvest Consumer Sentiment Survey released today. This installment is the final piece of the survey, conducted in March and including Greater Kansas City, and focuses on consumers' attitudes and behaviors concerning spending, saving and debt.

Most notably, 35 percent of regional respondents indicate that they plan to make major purchases in the next six months, compared with 34 percent in March. The percentage of respondents who report they had made a major household purchase in the past six months rose from 39 percent to 40 percent. Among the remaining 65 percent who do not plan such major purchases in the next six months, 20 percent reported they were waiting for the right time to buy, while 80 percent said they had no plans to buy at all. Major household purchases were defined as furniture, televisions, refrigerators and other large items.

“Consumers may be looking forward to the holiday season with an eye toward buying presents, while continuing household updates they may have been putting off from early in the economic recovery,” Arvest Marketing Director Jason Kincy said. “They seem to be feeling a bit more confident in their personal economies, as their increasing spending plans and slight decrease in current savings rates seem to indicate.”

This was particularly noticeable in Arkansas and Missouri.

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“This is the highest level of purchase expectations (in Arkansas) since the Arvest Consumer Sentiment Survey began,” said Kathy Deck, director of the Center for Business and Economic Research (CBER) in the Sam M. Walton College of Business at the University of Arkansas and lead economist for the survey.

David Mitchell, director of the Bureau of Economic Research at Missouri State University, said households in his state “are more optimistic about long-run prospects than they were at this point last year.”

Those feelings were more tempered in Oklahoma, which has been dealing with the effects of a lingering slump in the energy sector.

“As we move into the holiday season, both retailers and governments that rely on the sales tax base for general revenue funds will be watching Oklahoma consumers closely to see just how large of a purchase they will make and just how long they intend to wait before doing so,” said Russell Evans, executive director of the Steven C. Agee Economic Research & Policy Institute at Oklahoma City University.

The percent of respondents who reported having no current consumer debt was 28 percent, up from 22 percent in March. Consumer debt within the region was divided among several categories – mortgage, home equity, auto, credit cards and student loans. In the region overall, more consumers reported having consumer debt in particular categories, with increases in auto loans, which grew from 33 to 35 percent, and credit cards, up from 41 to 44 percent. Student loans remained steady at 21 percent.

When looking at the current savings rate, consumers within the region reported they are saving 13.9 percent of their earnings, which is lower than the 15.8 percent from the previous survey. The overall savings rate for Arkansas is 13.4 percent, while Missouri is at 16.3 percent and Oklahoma 14.1 percent.

The percent of respondents across the region who plan on increasing their rate of savings has risen from 22 to 26 percent since the spring survey.

The Arvest Consumer Sentiment Survey is conducted by the Center for Business and Economic Research in the Sam M. Walton College of Business at the University of Arkansas at Fayetteville. The University of Oklahoma’s Public Opinion Learning Laboratory conducted the 1,200 random online and telephone surveys.

With each study, the Consumer Sentiment Survey Index score will be released first, followed by a second release on consumer outlook, including the Current Conditions Index and the Consumer Expectations Index, which are sub-indexes of the Consumer Sentiment Survey Index.

Arvest Bank’s sponsorship of this survey is due to its desire to provide beneficial data for its customers and communities. The data provides a reading of how consumers are feeling about the

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economy in the states where the bank operates. Because consumers drive the majority of economic activity, it is important to simply know where people in the state stand in their views.

Information about the survey and research partners, copies of this release, summary documents and print-ready logos can be found at www.arvestconsumersurvey.com.

About Arvest

Arvest Bank operates more than 260 bank branches in Arkansas, Oklahoma, Missouri and Kansas through a group of 16 locally managed banks, each with its own board and management team. These banks serve customers in more than 120 communities, with extended weekday banking hours at many locations. Arvest also provides a wide range of banking services including loans, deposits, treasury management, credit cards, mortgage loans and mortgage servicing. Arvest is an Equal Housing Lender and Member FDIC.

About Our Research Partners

The Center for Business and Economic Research, Sam M. Walton School of Business at the University of Arkansas at Fayetteville (CBER) provides excellence in applied economic and business research to federal, state and local government, as well as to businesses currently operating or those that desire to operate in the state of Arkansas. The center further works to improve the economic opportunities of all Arkansans by conducting policy research in the public interest.

The University of Oklahoma Public Opinion Learning Laboratory (POLL) serves two functions: to provide a learning environment for the teaching of survey design, public opinion research and data analysis for the purpose of developing student capabilities to conduct academic and professional research and analysis; and to conduct research on public opinion, in order to foster knowledge about public affairs and to assist in the conduct of research on public policy of import to state and local governments, media organizations, other public and private entities, and the general public.

The Bureau of Economic Research, housed within the Economics Department at Missouri State University, serves as a clearinghouse for data and publications on economic conditions within the region, state and nation. The staff has a wide variety of experience and is able to provide consulting services, produce detailed GIS maps, economic and industry forecasts and other relevant reports.

The Meinders School of Business (MSB) at Oklahoma City University, which includes the Steven C. Agee Economic Research & Policy Institute, offers a full range of undergraduate, graduate and professional development programs. MSB prepares graduate and undergraduate students to be socially responsible leaders in a global economy through teaching excellence and faculty scholarship in business practice and the disciplines. Faculty and students engage with the business community, local government and regulatory agencies as part of the teaching-learning process.

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