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Arkansans' Personal Financial Expectations Continue to Improve

Arvest-Backed Survey Shows Consumers Upbeat Regarding General Economic and Business Conditions

FAYETTEVILLE, Ark. (Nov. 1, 2016) – Arkansans' expectations of their personal financial situation in the future, as well as expectations of the future business climate, have improved significantly since the previous survey in March, even if they say their personal finances have not changed much from a year ago.

That's according to the second phase of the Fall 2016 Arvest Consumer Sentiment Survey released today. This phase includes a study of consumers' outlooks on personal finances, buying conditions over the next six months, and business conditions over the next year and next five years.

According to the survey conducted in August, 42 percent of Arkansas consumers expect their personal financial situation to improve over the next 12 months, up from 38 percent in March.

“For the first time since the beginning of the Arvest Consumer Sentiment Survey, Arkansas consumers expressed more optimism about the future than their national counterparts,” 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. “High sentiment readings were recorded for all three components of the expectations index, indicating high hopes about future personal financial conditions, shorter-term business conditions and longer-term business conditions.”

The other areas surveyed were Missouri – including Greater Kansas City – and Oklahoma. Across the region, 47 percent expect their personal financial situation to stay the same, while 40 percent expect it to improve.

Data released as part of the Arvest Consumer Sentiment Survey, summary and news releases is free for broadcast, publication or use in presentations. Please cite “Arvest Consumer Sentiment Survey” as the source each time information is referenced.

When it came to determining buying conditions, 57 percent of Arkansans believe the next six months will be a good time to buy items like furniture, televisions and refrigerators. That's up from the 55 percent who thought so in March. By comparison, 55 percent of the entire region believes the next six months will be a good time to buy, up 2 percent from March.

Arkansans were more optimistic in August than March in terms of expected business conditions over the next year, with 31 percent expecting good times compared with 28 percent reported in March. They were also more optimistic for the longer range, with 42 percent expecting good times over the next five years. That compares to 40 percent in March.

Expectations for the region as a whole were more positive. Regional respondents who expect good times for businesses over the next year jumped from 24 percent to 32 percent, and 43 percent expect good times over the next five years. That compares to 41 percent in March.

This round of survey results also includes a Current Conditions Sub-Index and a Consumer Expectations Sub-Index, which follow the model of the national Thomson/Reuters Michigan Surveys of Consumers.

These sub-indexes are meaningful in comparison to national indexes or previous values of Arvest Consumer Sentiment indexes. Higher numbers indicate some combination of consumer satisfaction with their current and expected personal finances, current and expected economic performance, and the purchasing environment. Larger increases indicate more confidence across the three areas.

The Current Conditions Sub-Index is tabulated from the answers to two questions on the survey: "How is your current financial situation compared with a year ago?" and "What do you think of buying conditions over the next six months?" The Current Conditions Sub-Index for Arkansas in August was 92.4, up from March's 91.5, while the regional index was 91.0.

The Consumer Expectations Sub-Index is tabulated from the answers to three survey questions: "How do you expect your financial situation to change in the next year?", "How do you think business conditions will be in a year?" and "How do you expect business conditions will be in five years?" Arkansas' Consumer Expectations Sub-Index in August was 83.0, up from March's 80.7, while the regional index was 82.1.

The Arvest Consumer Sentiment Survey is conducted by the CBER, with the University of Oklahoma's Public Opinion Learning Laboratory conducting 1,200 random online and telephone surveys.

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 feel about the economy in states where the bank operates.

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The Bureau of Economic Research at Missouri State University provides state analysis of the Missouri data. The Steven C. Agee Economic Research & Policy Institute, Meinders School of Business at Oklahoma City University, evaluates the data for Oklahoma.

The survey is conducted twice a year. With each study, the index score is released first, followed by a second release on consumer outlook, including the Current Conditions Index and the Consumer Expectations Index, and a third release on savings and spending expectations.

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 Bank

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 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 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.

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