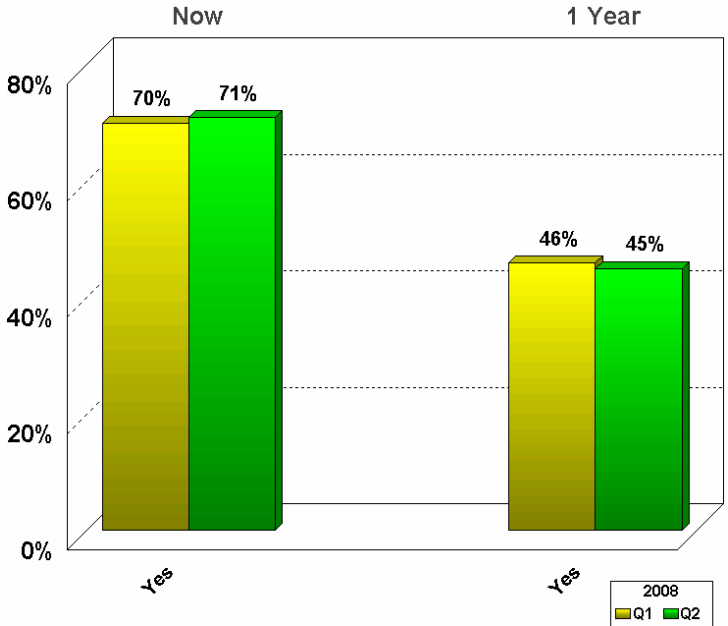


## Recession?

### National Recession

The Silver State Bank/ASBA/Arizona Economic Indicators Monitor asked small business owners if they think the U.S. economy is in a recession. Most businesses think the national



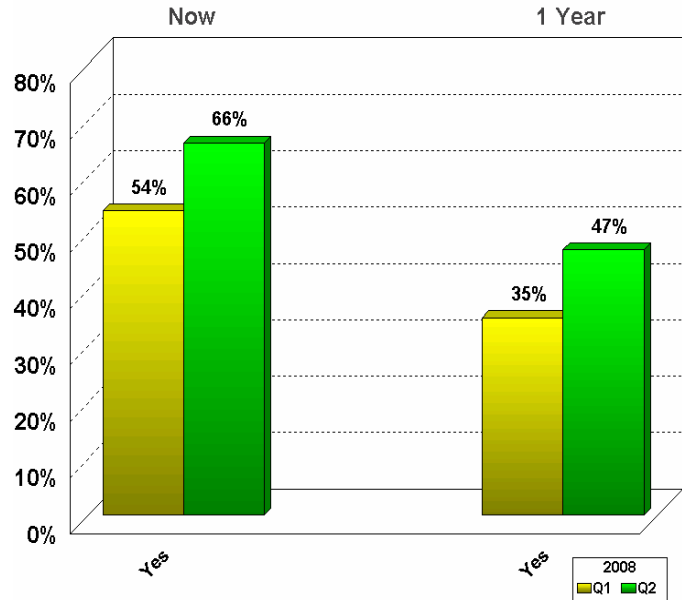
economy is currently in a recession. There is a division of opinion, however, about whether the national economy will be in a recession a year from now. Seventy-one percent (71%) responded that they feel the U.S. economy is currently in a recession; a number that is up insignificantly from the 70% who gave this same response in Q1. When we asked these same respondents whether they think the national economy will be in a recession one year from now, just under half (45%) said “yes.” This number is also not significantly different from the 46% who gave this response last quarter.

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 These results are taken from the Q2 **Silver State Bank/ASBA/O'Neil Associates Arizona Economic Indicators Monitor**. This project provides insights to support business leaders in companies of all sizes to make key economic decisions, as well as sharing small business attitudes on major political issues. **O'Neil Associates**, a national public opinion research firm based in Tempe, sent surveys to ASBA's membership of 3,000 small businesses across the state in late June as it did at the end of Q1 2008. The survey covered a wide range of economic issues, including business performance, revenue and job growth, and overall business confidence ratings. Results provide insights into the perceptions of business owners on the economic health and vitality of the Arizona economy. The survey has a margin of error (at the 95% confidence level) of approximately +/-6%. Silver State Bank President Mike Thorell said: "This release continues our efforts to inform the business community about significant economic trends affecting Arizona".  
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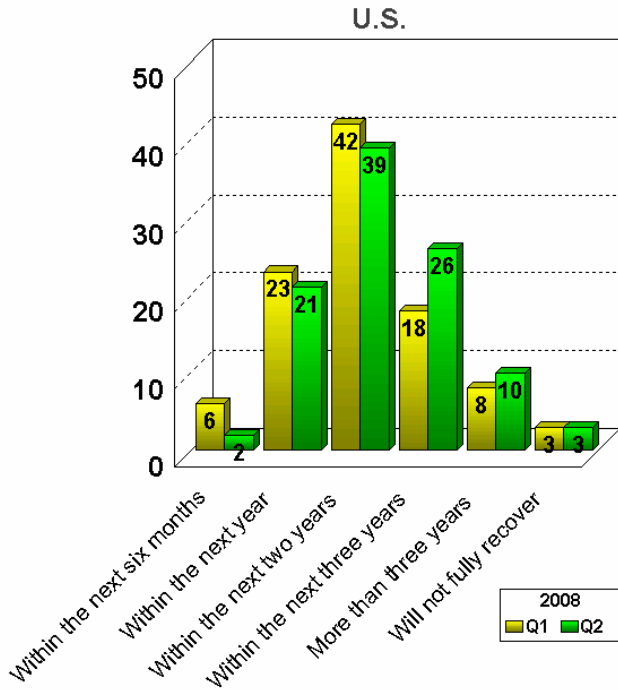
**Results of this survey may be cited freely with the proviso that they be cited as the "Silver State Bank/ASBA/O'Neil Associates Arizona Economic Indicators Monitor"**

## Arizona Recession?

The proportion of small businesses who believe that the Arizona economy is currently in a recession has increased significantly this quarter to 66% from 54% last quarter. This 66% is just a bit lower than the 71% who feel the U.S. economy is in a recession. When we asked about the Arizona economy one year from now, nearly half (48%) indicated they believe Arizona will be in a recession; a figure that actually exceeds (though insignificantly) the 45% of respondents who indicated that they think the U.S. economy will be in a recession one year from now. According to the director of the poll, Dr. Michael O'Neil, *“On most measures the Arizona economy has consistently been seen as exceeding the U.S. economy. That was certainly true last quarter for every measure. In this quarter, however, these differences are clearly diminishing. And when respondents look to the future, they ultimately see Arizona being sucked into, and fully participating in, a national economic downturn.”*

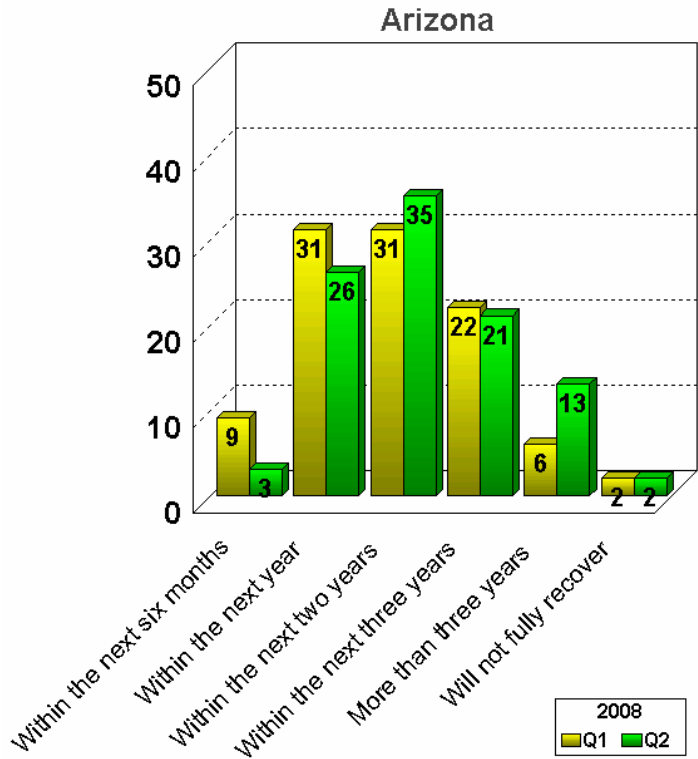


## When Will It End?



As was the case last quarter, when asked when they think the U.S. economy will recover from its current state, the modal response of small business owners was that this will occur sometime in the next two years. This number, however, has clearly crept upwards. While only 29% last quarter felt that it would take three years or more to fully recover, this quarter that number reached 39%.

Similar findings were evident when we asked respondents when they think the Arizona economy will fully recover. Again, while the modal response last quarter was that this will occur within the next two years, the proportion who indicated that it will take three or more years increased from 30% last quarter to 36% this quarter. Although this 6% increase is less than the corresponding 10% increase for the national economy, the direction of the movement is identical: *an increasing number of people think that it will take more than two years for the economy to fully recover.*



The Silver State Bank/ASBA/O'Neil Associates Arizona Economic Indicators Monitor is made possible by a cooperative effort of

- [\*\*Silver State Bank\*\*](#) is Nevada's largest small business lender and has recently expanded its operations in Arizona.
- [\*\*ASBA\*\*](#), the Arizona Small Business Association, is the leading voice for small businesses in the State of Arizona.
- [\*\*O'Neil Associates\*\*](#), a national public opinion research firm based in Tempe, has done over 1700 public opinion and marketing research projects since 1981. These include surveys and focus group projects for a wide array of businesses throughout the country.

For a complete copy of all **Silver State Bank/ASBA/O'Neil Associates Arizona Economic Indicators Monitor** reports released to date, as well as opinion research reports on an array of other topics visit <http://www.oneilresearch.com/publicdomain> or click on the banner below.



For Further Information or to schedule media interviews contact *via email*:

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