

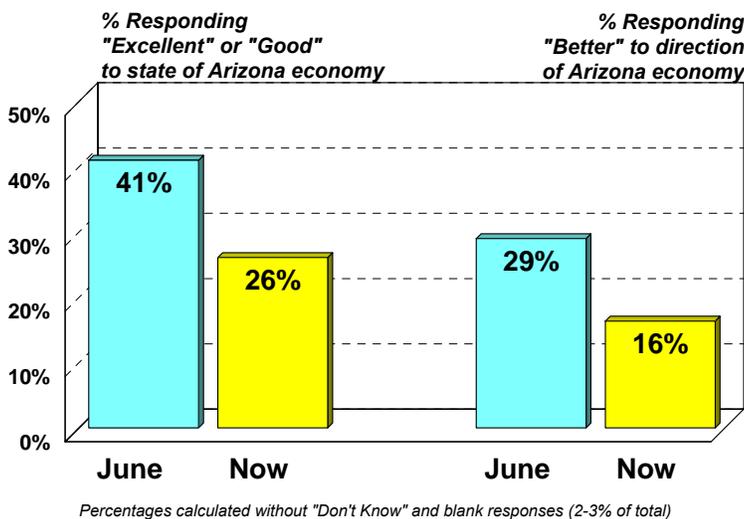


**“Monitoring the  
opinions of  
opinion leaders”**



***Economic Woes Worsening:  
Valley Leaders Losing Faith in Recovery  
But Glimmer of Hope Found in Hiring Plans***

**STATE AND DIRECTION OF ARIZONA ECONOMY**



Community and business leaders in the Valley are growing increasingly alarmed about the state and direction of the economy in Arizona and the United States, according to a new *O'Neil Associates Valley Influentials Poll*.

Compared to data collected by the *VIP* in June, faith in the economy has clearly faded in Maricopa County's business community. Whereas 41% in June thought the Arizona economy was excellent or good, now only 26% feel that way. Similarly, 29% in June thought the state's economic conditions were improving, compared to just 16% in the new measurement.

“This is truly a stunning decline in the economic confidence of local leaders in the space of only a few months,” said Dr. Michael O’Neil, director of the poll. “Even if the real economy is not actually deteriorating at the rate the numbers would suggest, it is bound to leave a strong impression with people

**About the Poll.** The *O'Neil Associates Valley Influentials Poll* is a web-based survey that was sent to all members of Greater Phoenix Leadership, Valley Leadership, East Valley Partnership, and Westmarc. As such, this survey does not purport to be a random or representative sampling of the general population of the Phoenix metropolitan area. It would be difficult, however, to conceive of a more comprehensive representation from which to draw inferences about the opinions and sensibilities of *business and community leaders* than the combined membership of these organizations, although, inevitably, any definition of influentials is somewhat subjective. The persons surveyed are likely to exert disproportionate influence on and be an early indicator of community opinion by virtue of their position, community involvement, and political participation. The *O'Neil Associates Valley Influentials Poll was not sponsored or paid for by any outside organization*. Three hundred thirty-one participants completed the survey between October 11 and October 24, 2002, yielding a margin of error of  $\pm 4.9\%$ . O’Neil Associates, Inc. is a Tempe-based public opinion research firm specializing in client-focused attitude and awareness studies for a wide variety of industries and organizations.

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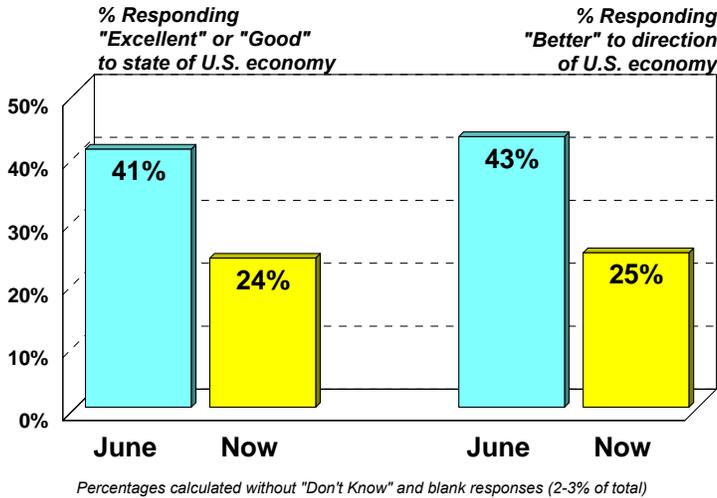
**(VIP018-2002-03)**

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***These results may be reported freely provided that they are identified as the “O’Neil Associates Valley Influentials Poll” including identification on any graphic material.***

when they keep hearing about various economic gauges failing to register improvement, about corporate malfeasance, and about budget problems at the state level.”

**STATE AND DIRECTION OF U.S. ECONOMY**



O’Neil continued, “Community leaders’ impression of the Arizona economy is clearly influenced by their perception of the national economy. When the country suffers as a whole, the state’s economy tends to suffer, too.”

Indeed, local leaders’ impression of the U.S. economy shows a similar pattern. Whereas two-fifths in June described the national economy as excellent or good (41%) and felt it was moving in the right direction (43%), now just one quarter are encouraged by the current state (24%) and national direction (25%) of the economy.

Pessimism has spread across the board, but slightly more so among Democrats and liberals than among Republicans and conservatives.

Members of four organizations of business and community leaders participated in the survey. Interestingly, members of Greater Phoenix Leadership are most distressed about the state of Arizona’s economy, but their outlook on the future is less gloomy than among members of the other three organizations: Valley Leadership, East Valley Partnership, and Westmarc.

“The opinions of GPL’s members may carry extra significance, because they tend to be the highest level of management from the Valley’s premier businesses,” noted O’Neil.

“Because of their leadership positions, they often set the trend for the rest of the business community.”

**Glimmer of Hope found in Hiring Plans**

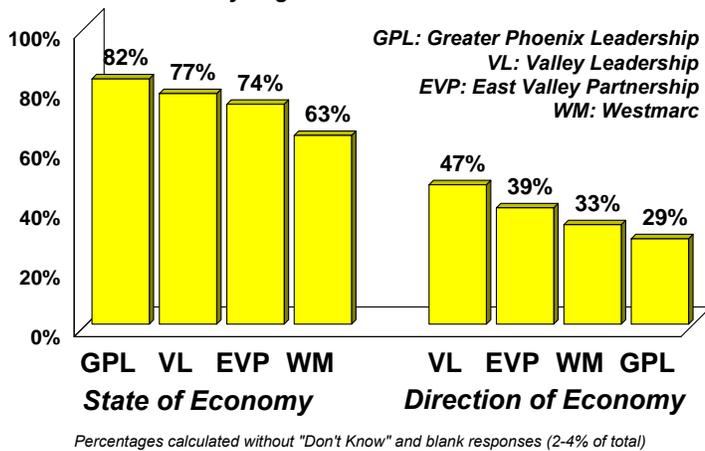
The *O’Neil Associates Valley Influentials Poll* also asked respondents about the hiring histories and expectations of their own companies or organizations. Responses tended to be more uplifting.

Just 22% reported that their companies reduced their workforces during the past 12 months, and only 16% think they will have to lay off employees in the next year. In contrast, 38% hired additional workers, and an equal proportion expected to add more employees during the next year.

“The split response makes it difficult to predict which way the Arizona economy may be headed,” said O’Neil. “On the one hand, Valley leaders clearly are not enthusiastic about the state’s economy, but on

**ARIZONA ECONOMY**

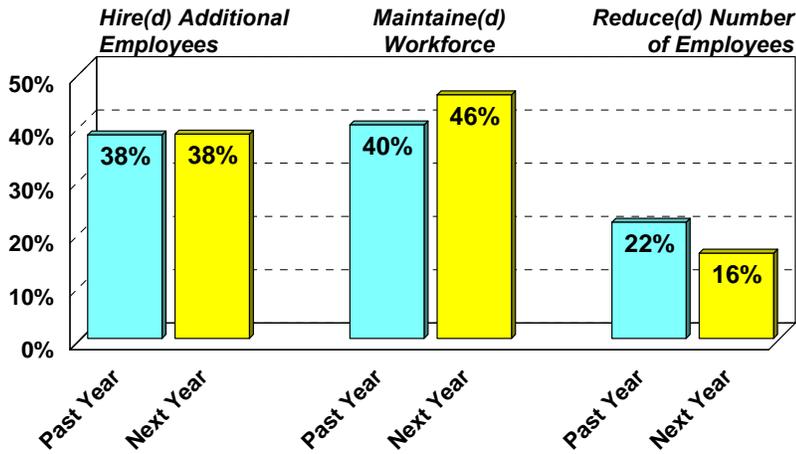
Proportion Answering "Poor" or Fair for State of Economy And "Better" for Direction of Economy By Organizational Affiliation



the other hand, only a minority expect their own businesses to contribute to the declining job market. Since business dispositions depend on general perceptions of the marketplace as well as business-specific

**HIRING HISTORY AND EXPECTATIONS**

**Employment Trends  
at Respondents' Places of Work**



Percentages calculated without "Don't Know" and blank responses (5-7% of total)

circumstances, we can only hope for the sake of Arizona's economy and job market that the latter will hold sway."

Finally, to examine whether a relationship exists between business size and employment trends, respondents were also asked about the size of their business or organization in the Phoenix Metro area.

Respondents working for large businesses (500+ employees) are far more likely to think their companies will lay off workers (31%) than are those working for small businesses (7%). This is likely due to different experiences

within the past year: among those with large employers, 30% said their company had reduced its workforce, compared to 16% of respondents from smaller workplaces. Business size, incidentally, did not otherwise seem to influence respondents' perception of the U.S. or state economy.

"It is, of course, positive that small businesses are keeping the wheels of commerce rolling," O'Neil concluded, "but it is worrisome that more large businesses expect to cut down on their number of employees. Large businesses, after all, are the ones with the greatest ability to influence the employment situation of large numbers of jobseekers."

*O'Neil Associates has tracked public opinion across the Valley, Arizona, and the Nation since 1981. To be healthy, public debate must be informed—this is why we commit our resources to measuring opinions on the political and social issues people care about and talk about. O'Neil Associates, however, is much more than that. While the **Valley Influentials Poll** and **Valley Monitor** may be among our most publicly visible activities, we do most of our work for private businesses and organizations as well as state and other public agencies. As a full-service research firm, we assist our clients with a broad range of research efforts to measure customer satisfaction, improve customer service, fine-tune public images, focus marketing campaigns, engineer products, increase market shares, strengthen employee relations, and plan, refine, and assess business strategies.*

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