

# U.S. Data Review

- Consumer confidence: muddled outlook dampens moods

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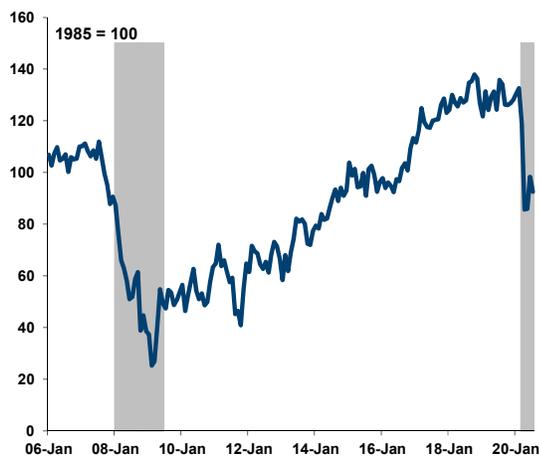
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## Consumer Confidence

The acceleration in the number of Covid cases apparently had an influence on consumer attitudes, as the Conference Board's measure of consumer confidence slipped 5.7 index points in July to 92.6 (a drop of 5.8 percent). The drop was slightly larger than the expected shift of 3.1 index points or 3.2 percent. The decline represented only a partial offset to improvement in June, as the latest observation exceeded the average of 85.8 in April/May. It also was far better than the lows seen during the financial crisis (monthly low of 25.3 in February 2009 and quarterly average low of 29.9 in 2009-Q1). Still, it trailed the pre-virus average of 131.5 in January/February (chart, left).

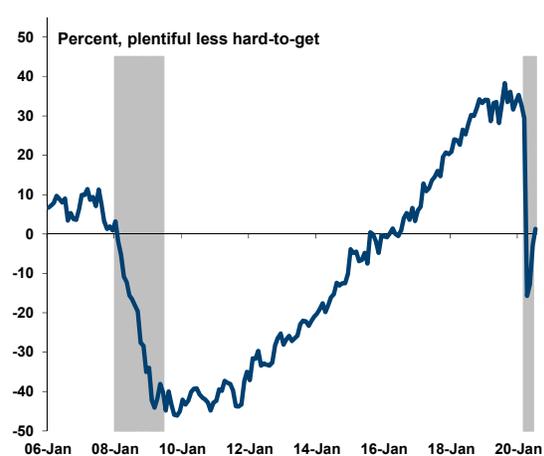
All of the retreat in July was the result of a decline of 13.8 percent in the expectations component. The current conditions component rose 8.7 percent. Concern about the outlook because of the spread of the coronavirus might have influenced the expectations component, while the recent improvement in the labor market probably influenced the assessment of current conditions. In this regard, the labor market assessment moved back into positive territory after three consecutive negative readings (chart, right). The share of individuals indicating that jobs were plentiful rose 0.8 percentage point to 21.3 percent, while those indicating that jobs were hard to get fell 3.3 percentage points to 20.0 percent, leaving a net reading of 1.3 percent. The assessment was far below observations at the start of the year, but the improvement is certainly welcome.

### Consumer Confidence\*



\* The shaded areas indicate periods of recession in the United States.  
 Source: The Conference Board and National Bureau of Economic Research via Haver Analytics

### Labor Market Assessment\*



\* The shaded areas indicate periods of recession in the United States.  
 Source: The Conference Board and National Bureau of Economic Research via Haver Analytics

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