

U.S. Data Review

- Consumer confidence: a jump in March, but still far below pre-virus levels

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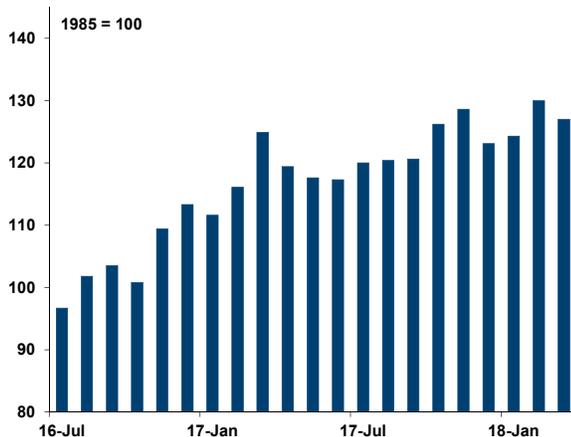
Consumer Confidence

The confidence index published by the Conference Board jumped 19.3 index points (or 21.3 percent) in March, easily beating the expected increase of 5.6 index points. The monthly change was among the largest in the history of the series, as only four observations registered larger percent changes (monthly data since July 1977). Although the change was notable, the level of the index was still not impressive, as it remained well below readings before the onset of the pandemic (17.3 percent below the February 2020 level; chart, left).

Both components contributed about equally to the increase in the headline measure, with the current conditions index jumping 22.8 percent and the expectations component advancing 20.6 percent. We suspect that the approval and disbursement of \$1,400 rebate checks brightened moods. A pickup in the rate of vaccinations probably had an influence as well.

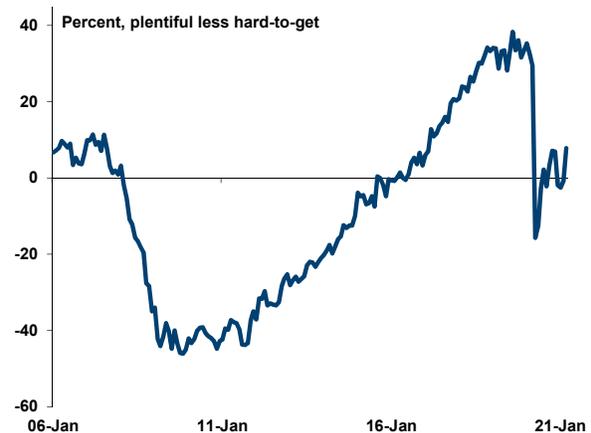
Improvement in the labor market seemed to play a small role, as the share of individuals indicating that jobs were plentiful rose 4.7 percentage points to 26.3 percent, while the share indicating that jobs were hard to find fell 3.9 percentage points to 18.5 percent. The net reading (plentiful less hard to get) moved back into positive territory after negative readings in the prior three months. While the improvement in labor market perceptions is welcome, the level of the net reading of 7.8 is still low by historical standards (chart, right).

Consumer Confidence



Source: The Conference Board via Haver Analytics

Labor Market Assessment*



* The share of survey respondents indicating that jobs are plentiful less the share indicating that jobs are hard to get.

Source: The Conference Board via Haver Analytics

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