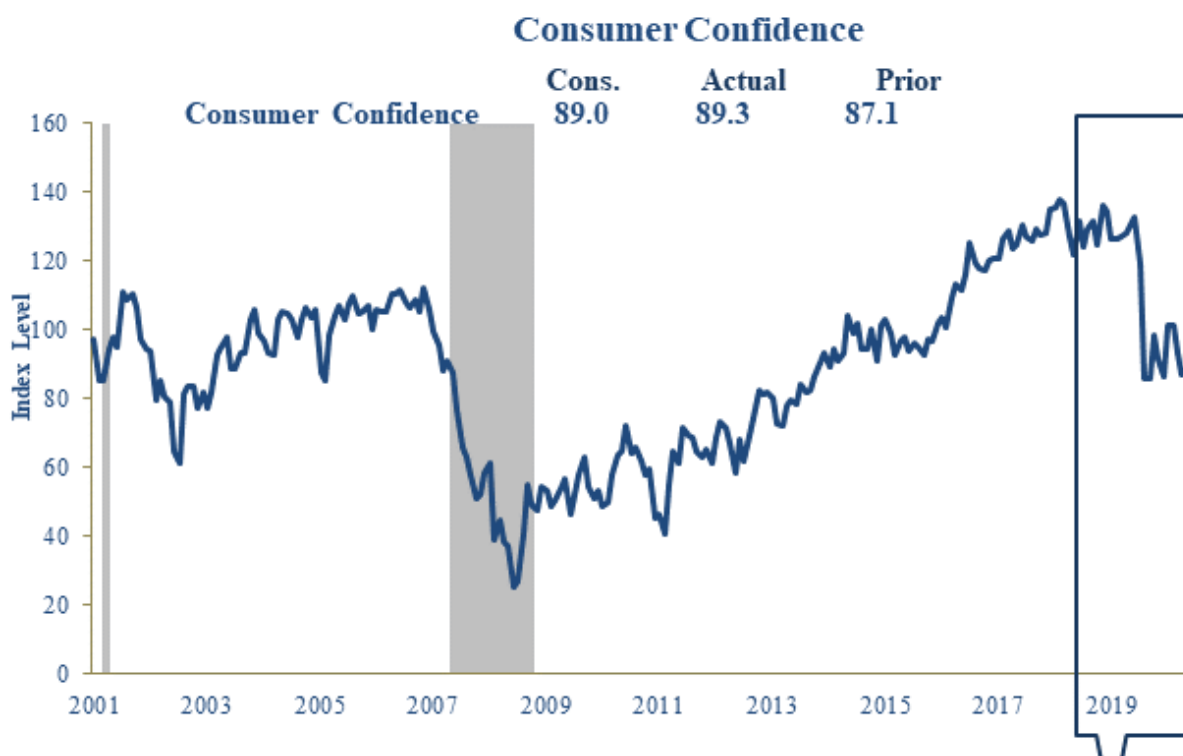


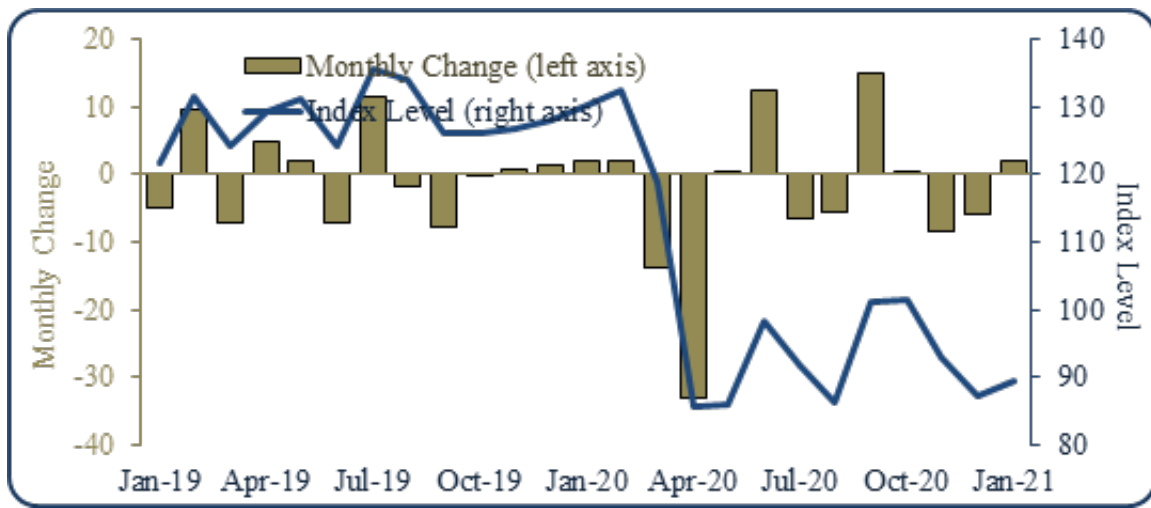
26.Jan.2021

Consumer Confidence: Expectations Diverge from Present Situation

Bottom Line: Consumer confidence was a touch higher than expected in January, but December's sharp decline was revised to show an even further slide.

Consumers' assessments of their present situations fell further as shutdowns for the novel coronavirus continued into the new year in many parts of the country. Future expectations rose sharply, though, as vaccine distribution started, if not without challenges. Overall this report largely confirms the deceleration in consumer activity we have seen in other indicators, including our Nowcasting indices. But on the plus side, consumers are more optimistic about the future as the virus rollout begins.





Consumer Confidence ROSE by 2.2 points in January to 89.3, compared with market expectations for an increase to 89.0. The index is now 31.5% BELOW its year-ago level.

Present Situation Index FELL by 2.8 points to 84.4. The index is 51.5% BELOW its year-ago level.

The Expectations Index ROSE by 5.5 points to 92.5. The index is 8.8% BELOW its year-ago level.

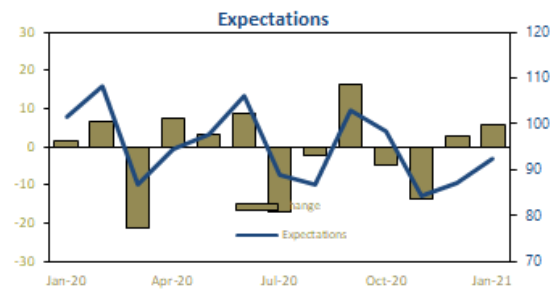
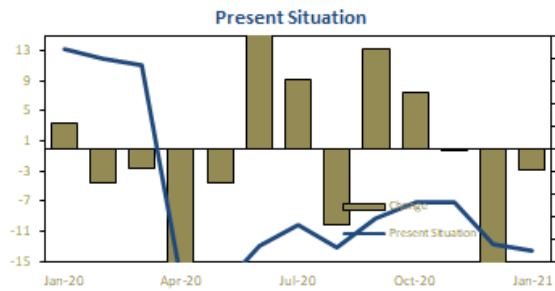
The labor differential, the percentage of respondents who said jobs are “hard to get” from the percentage who said jobs are “plentiful”, moved lower by 1.3 points to -3.2.



Expectations



	Index Levels										
	Monthly				Averages for						
	Jan-21	Dec-20	Nov-20	Oct-20	Three Month	Six Month	Twelve Month	2017	2016	Recessions	Expansions
Consumer Confidence	89.3	87.1	92.9	101.4	89.8	93.1	97.6	123.1	113.3	71.9	102.5
Present Situation	84.4	87.2	105.9	106.2	92.5	94.7	102.4	156.5	123.5	65.2	107.8
Expectations	92.5	87.0	84.3	98.2	87.9	91.9	94.4	100.8	106.4	76.4	99.1
Jobs plentiful	20.6	21.0	26.3	26.7	22.6	23.3	25.6	36.3	26.0	12.6	23.2
Jobs hard to get	23.8	22.9	19.4	19.6	22.0	21.6	22.0	16.0	22.7	38.0	27.9



Source: The Conference Board via Bloomberg. Our calculations.

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