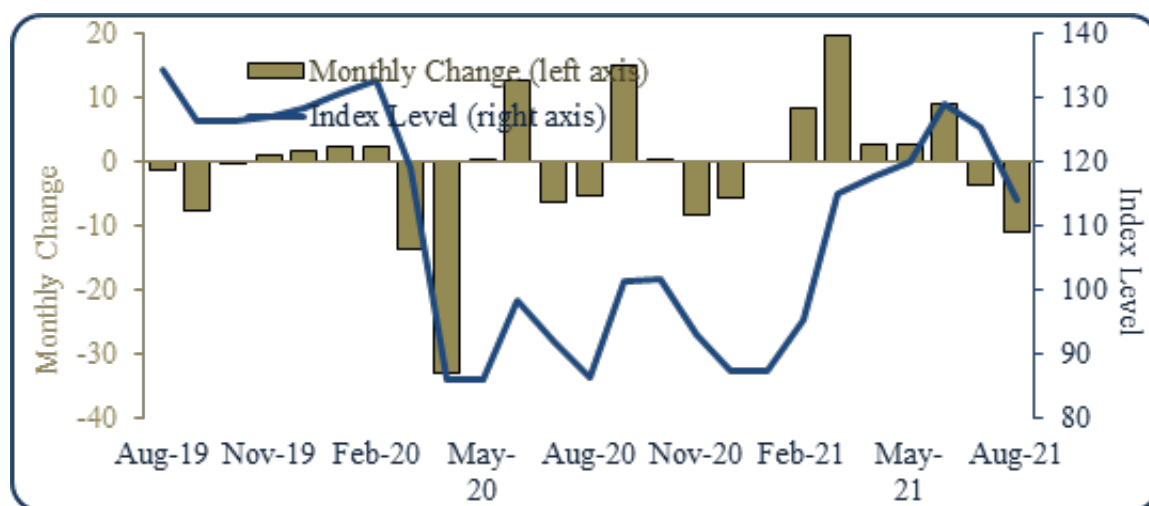
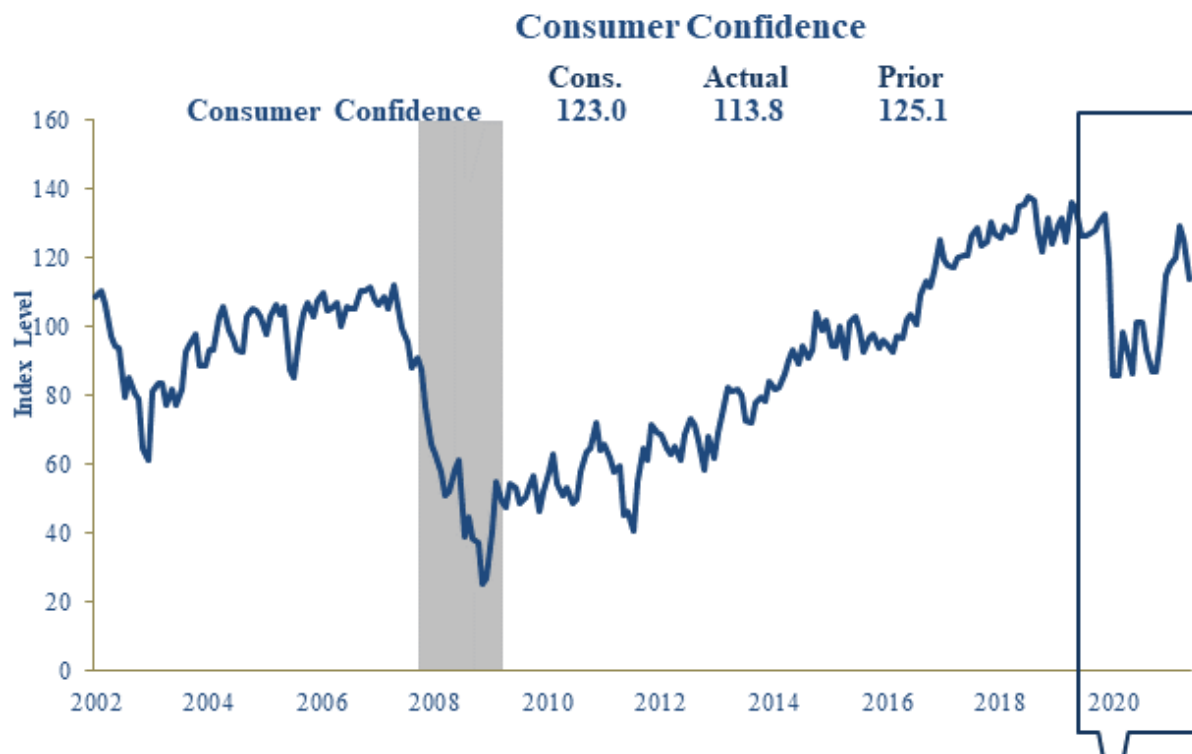


31.Aug.2021

Consumer Confidence: Sharply Lower

Bottom Line: Consumer confidence, as measured by the Conference Board, was sharply lower than expected, confirming the readings we had seen from the University of Michigan's survey. Confidence, at 113.8, is below its three-month average of 122.6. The combined impact of the Delta variant and significant goods price inflation, including rising gas and food prices, resulted in a less favorable view of current economic conditions and short-term growth prospects. Consumers reported a lower likelihood of large purchases -- homes, autos, and major appliances, for instance. Additionally, 6-month outlooks for business fell moderately, outlooks for income fell modestly, and employment fell modestly.

After showing stronger readings than the University of Michigan survey, the Conference Board's survey finally showed the same concerning signs about the consumer outlook. While these surveys can be more volatile than actual consumption patterns, the overall outlook for consumption is modestly less aggressive in early 3Q21.



Consumer Confidence FELL by 11.3 points in August to 113.8, compared with market expectations for a decline to 123.0. The index is now 31.9% ABOVE its year-ago level.

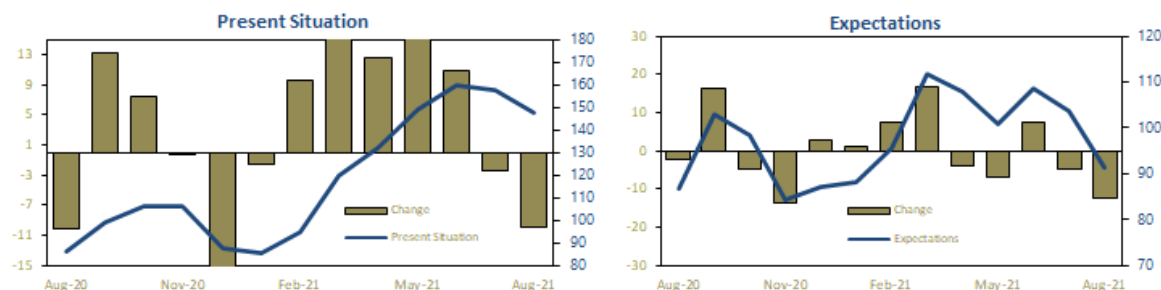
Present Situation Index FELL by 9.9 points to 147.3. The index is 71.7% ABOVE its year-ago level.

The Expectations Index FELL by 12.4 points to 91.4. The index is 5.5% ABOVE its year-ago level.

The labor differential, the percentage of respondents who said jobs are “plentiful” from the percentage who said jobs are “hard to get”, moved lower by 1.3 points to 42.8.



	Index Levels										
	Monthly				Averages for						
	Aug-21	Jul-21	Jun-21	May-21	Three	Six	Twelve	2020	2019	Recessions	Expansions
					Month	Month	Month				
Consumer Confidence	113.8	125.1	128.9	120.0	122.6	120.0	107.1	87.1	128.2	71.9	102.5
Present Situation	147.3	157.2	159.6	148.7	154.7	144.0	120.2	87.2	170.5	65.2	107.8
	91.4	103.8	108.5	100.9	101.2	104.1	98.4	87.0	100.0	76.4	99.1
Jobs plentiful	54.6	55.2	54.7	48.5	54.8	46.1	34.9	21.0	46.5	12.6	23.2
	11.8	11.1	10.5	11.6	11.1	12.8	17.0	22.9	13.0	38.0	27.9
Jobs hard to get											



Source: The Conference Board via Bloomberg. Our calculations.

Copyright © 2018 Contingent Macro Advisors, LLC. All rights reserved. Reproduction and/or redistribution are expressly prohibited. "Economic Advisory Service" is a registered trademark of Contingent Macro Advisors, LLC. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed.

T.J. Connelly, Head of Research

August 31, 2021

Steven A. Wood, Senior Economic Adviser