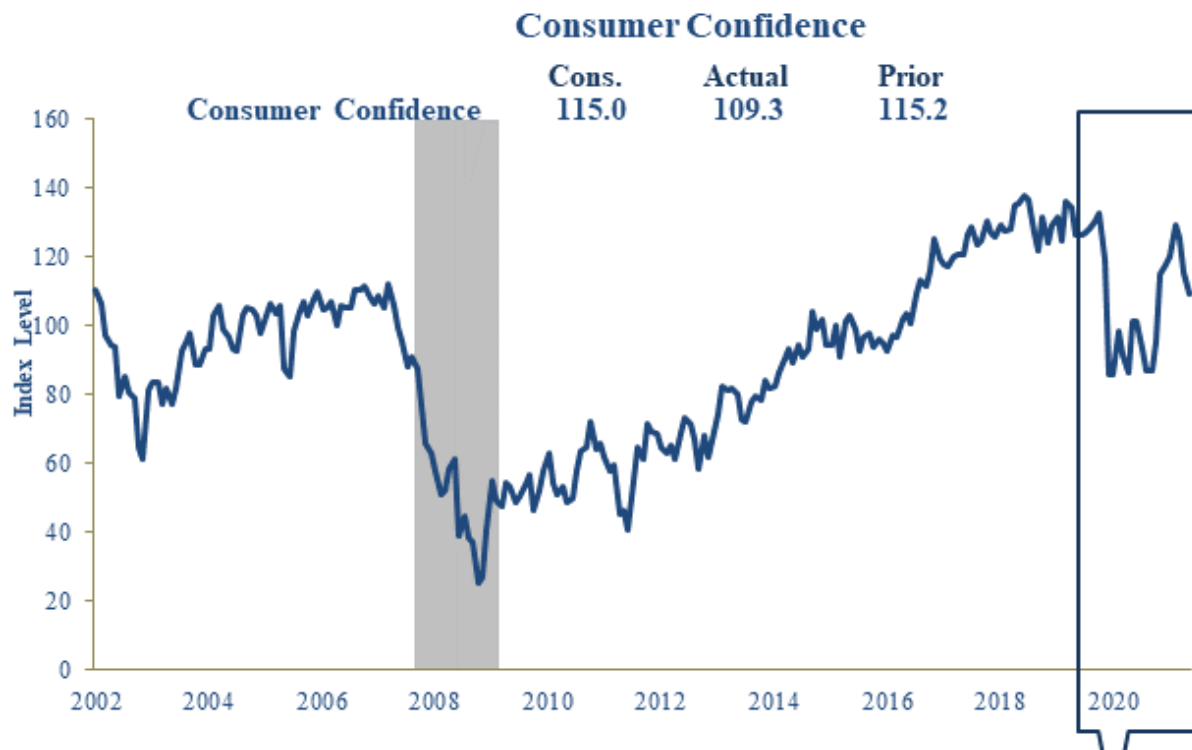
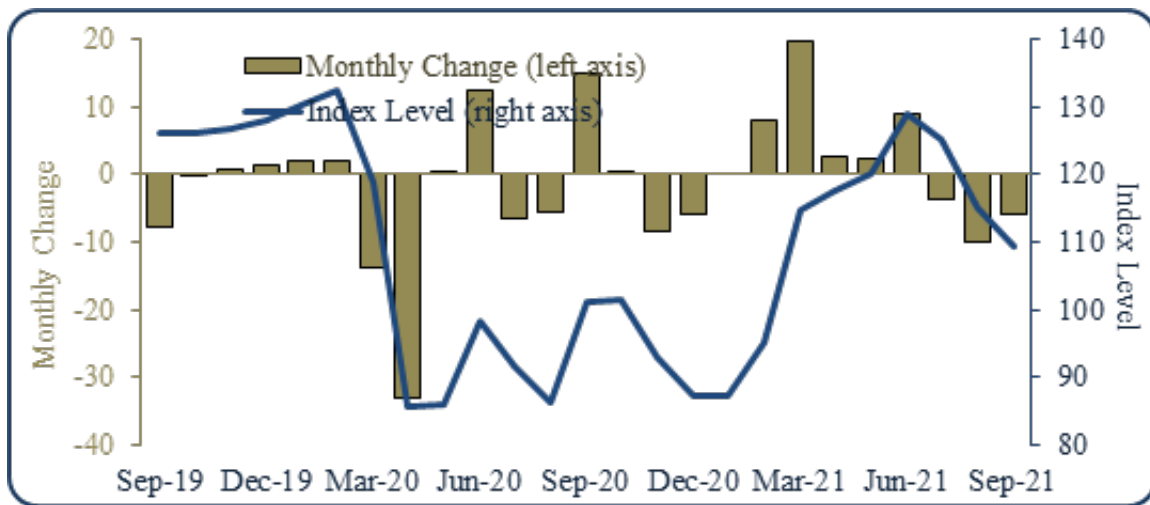


28.Sep.2021

Consumer Confidence: Another Swift Decline

Bottom Line: Confidence, as measured by the Conference Board, was sharply lower than expected for the second month in a row. Consumers' assessments of their present situations and their expectations for the future declined. Spending intentions for homes, autos, and major appliances all fell again. Consumers' expectations for inflation declined slightly but remained elevated. Considering this survey, along with that sharp decline in consumer sentiment in the Michigan survey in August, it is clear that consumers will likely be more cautious for at least another month. Moreover, our Nowcast indicators also confirm weaker demand for durable goods. While the consumer balance sheets at the aggregate level remain in good shape, likely supporting spending for several quarters into the future, the recent spate of caution suggests consumption decelerated in the second half of the 3rd Quarter.





Consumer Confidence FELL by 5.9 points in September to 109.3, compared with market expectations for a decline to 115.0. The index is now 7.9% ABOVE its year-ago level.

Present Situation Index FELL by 5.5 points to 143.4. The index is 45.0% ABOVE its year-ago level.

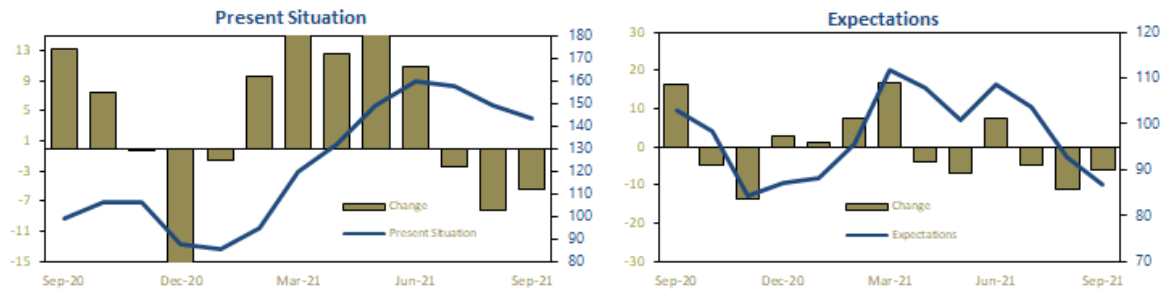
The Expectations Index FELL by 6.2 points to 86.6. The index is 15.8% BELOW its year-ago level.

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 1.9 points to 42.5.





	Index Levels										
	Monthly				Averages for						
	Sep-21	Aug-21	Jul-21	Jun-21	Three Month	Six Month	Twelve Month	2020	2019	Recess-ions	Expan-sions
Consumer Confidence	109.3	115.2	125.1	128.9	116.5	119.3	107.9	87.1	128.2	71.9	102.5
Present Situation	143.4	148.9	157.2	159.6	149.8	148.3	124.1	87.2	170.5	65.2	107.8
	86.6	92.8	103.8	108.5	94.4	100.1	97.1	87.0	100.0	76.4	99.1
Jobs plentiful	55.9	55.6	55.2	54.7	55.6	51.0	37.7	21.0	46.5	12.6	23.2
Jobs hard to get	13.4	11.2	11.1	10.5	11.9	12.1	16.4	22.9	13.0	38.0	27.9



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

September 28, 2021

Steven A. Wood, Senior Economic Adviser