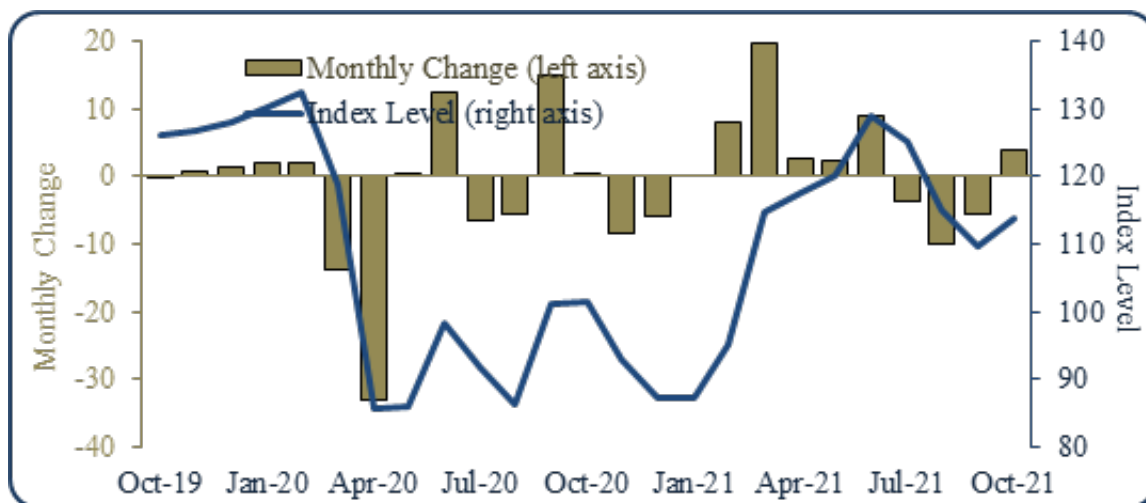
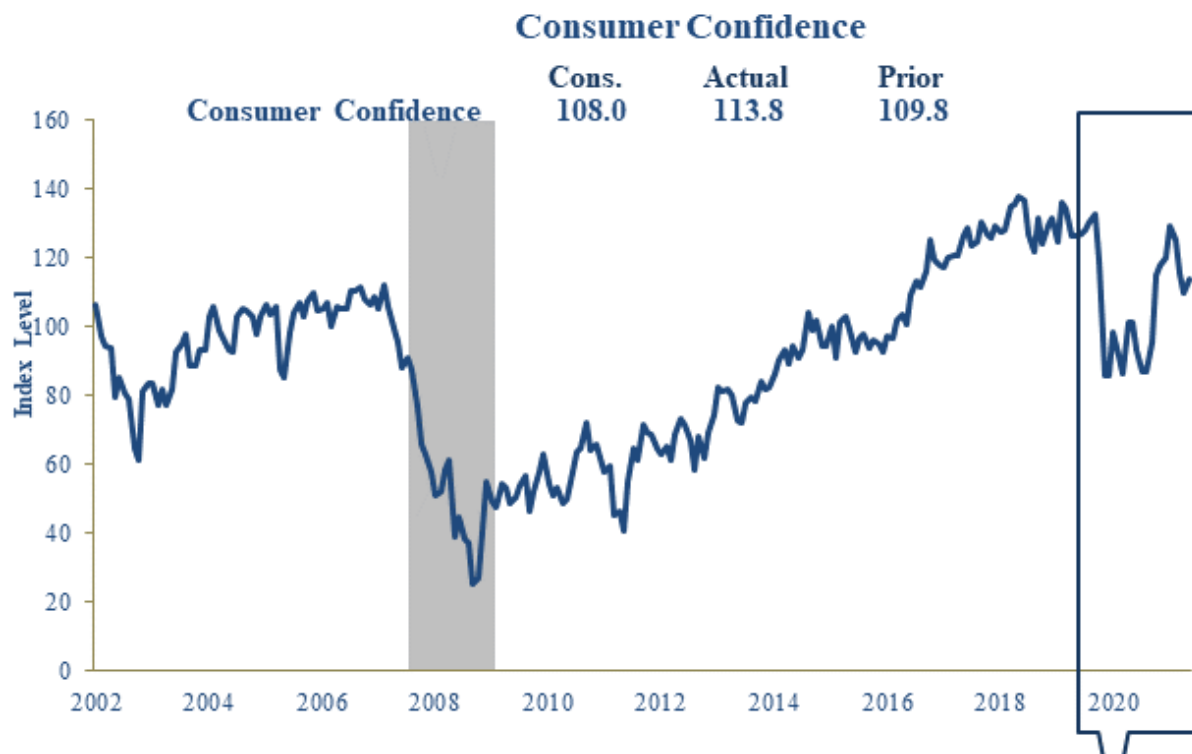


26.Oct.2021

Consumer Confidence: Rebound, Inflation Expectations Jump

Bottom Line: Confidence, as measured by the Conference Board, rebounded sharply, more than expected, as consumers' expectations for future income, business, and labor conditions improved. October's rebound reversed a three-month downturn on the heels of the Delta variant. Short-term inflation expectations rose to a 13-year high, but contrary to other surveys, consumers reported a negligible impact on their planned purchases of vehicles and major appliances. On the services side of the economy, more consumers reported plans to take a vacation in the next six months than at any point since the pandemic. Overall, this survey offered encouragement that consumers will remain an essential driver of the economy, but their confidence remains somewhat tepid, below pre-pandemic levels.





Consumer Confidence ROSE by 4.0 points in October to 113.8, compared with market expectations for a decline to 108.0. The index is now 12.2% ABOVE its year-ago level.

Present Situation Index ROSE by 3.1 points to 147.4. The index is 38.8% ABOVE its year-ago level.

The Expectations Index ROSE by 4.6 points to 91.3. The index is 7.0% 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 higher by 1.5 points to 45.0.

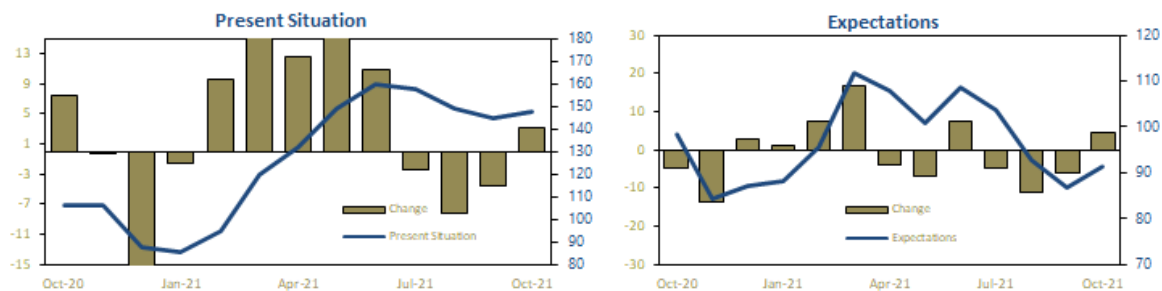
Present Situation



Expectations



	Index Levels										
	Monthly				Averages for						
	Oct-21	Sep-21	Aug-21	Jul-21	Three Month	Six Month	Twelve Month	2020	2019	Recess-ions	Expans-ions
Consumer Confidence	113.8	109.8	115.2	125.1	112.9	118.8	109.0	87.1	128.2	71.9	102.5
Present Situation	147.4	144.3	148.9	157.2	146.9	151.0	127.6	87.2	170.5	65.2	107.8
Expectations	91.3	86.7	92.8	103.8	90.3	97.3	96.6	87.0	100.0	76.4	99.1
Jobs plentiful	55.6	56.5	55.6	55.2	55.9	54.4	40.1	21.0	46.5	12.6	23.2
Jobs hard to get	10.6	13.0	11.2	11.1	11.6	11.3	15.6	22.9	13.0	38.0	27.9



Source: The Conference Board via Bloomberg. Our calculations.

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October 26, 2021

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