

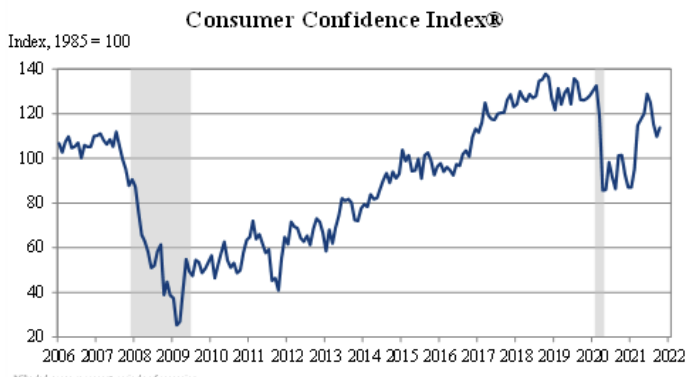
## Consumer Confidence Increases after Falling for Three Months in a Row

On Tuesday, October 26<sup>th</sup>, the Conference Board reported that its Consumer Confidence Index increased in October, after falling for the previous three months.

- **The Index** now stands at 113.8 (1985=100), up from 109.8 in September.
- **The Present Situation Index** – based on consumers' assessment of current business and labor market conditions – rose to 147.4 from 144.3 last month.
- **The Expectations Index** – based on consumers' short-term outlook for income, business, and labor market conditions – improved to 91.3 from 86.7.

“Consumer confidence improved in October, reversing a three-month downward trend as concerns about the spread of the Delta variant eased. While short-term inflation concerns rose to a 13-year high, the impact on confidence was muted.

The proportion of consumers planning to purchase homes, automobiles, and major appliances all increased in October – a sign that consumer spending will continue to support economic growth through the final months of 2021. Likewise, nearly half of respondents (47.6%) said they intend to take a vacation within the next six months – the highest level since February 2020, a reflection of the ongoing resurgence in consumers' willingness to travel and spend on in-person services.”



## Present Situation

“Consumers' appraisal of current **business conditions** was mixed in October.

- 18.6% of consumers said business conditions are “good,” down from 19.1%.
- On the other hand, 24.9% of consumers said business conditions are “bad,” down from 25.3%.

## Expectations Six Months Hence

Consumers' optimism about the **short-term business conditions outlook** was mixed in October.

- 24.3% of consumers expect business conditions will improve, up from 21.7%.
- On the other hand, 21.1% expect business conditions to worsen, up from 17.6%.

Consumers were more optimistic about the **short-term labor market outlook**.

- 25.4% of consumers expect more jobs to be available in the months ahead, up from 21.3%.
- 18.3% anticipate fewer jobs, down from 19.9%.

Consumers were more positive about their **short-term financial prospects**.

- 18.7% of consumers expect their incomes to increase, up from 16.9%.
- 11.3% expect their incomes will decrease, virtually unchanged from 11.4%.”

## More Data Later in the Week

More economic data will be released later this week, including Durable Goods Orders on Wednesday; GDP and Pending Homes Sales Index on Thursday and Chicago PMI on Friday.

Sources: [conference-board.org](https://www.conference-board.org)