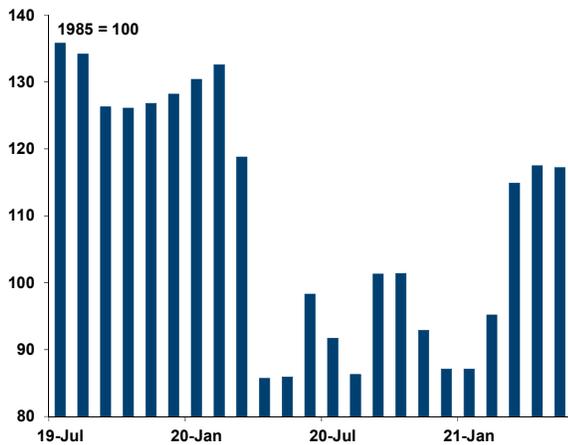


Consumer Confidence

The Conference Board’s index of consumer confidence slipped 0.3 index point (0.3 percent) in May from a downwardly revised level in the prior month. The downward adjustment of 4.2 index points (3.5 percent) to the April reading was somewhat tempered by upward revisions to results earlier in 2021, but confidence, while improved, has yet to regain its pre-Covid footing (the level of the confidence index in May is 11.6 percent below the reading of 132.6 in February 2020).

Concerns about the inflation outlook could be driving the restrained performance in confidence. The survey asks about respondents’ views on inflation 12 months from now, and the reading on expected inflation ticked up to 6.5 percent from 6.2 percent in April, matching the recent high in February. By comparison, the expected rate of inflation averaged 5.6 percent last year and 4.6 percent in 2019. In contrast to views on the inflation outlook, attitudes regarding the labor market improved sharply in May. The share of survey participants indicating that jobs were plentiful surged 10.5 percentage points to 46.8 percent, the best reading since the onset of the virus and comparable to readings in early 2020 (Jan/Feb average of 46.9 percent). In addition, the share indicating that jobs were hard-to-get slipped 2.5 percentage points to 12.2 percent. The net reading (plentiful less hard-to-get) of 34.6 percent was 13 percentage points higher than the prior months result and compared favorably to readings before Covid. The latest reading also was elevated from a longer-term perspective.

Consumer Confidence



Source: The Conference Board via Haver Analytics

Labor Market Assessment*

