



US Consumer Confidence Pulled Back in December

Updated 23 December 2024

Concerns about the future returned

The Conference Board **Consumer Confidence Index**® declined by 8.1 points in December to 104.7 (1985=100). The **Present Situation Index**—based on consumers' assessment of current business and labor market conditions—fell 1.2 points to 140.2. The **Expectations Index**—based on consumers' short-term outlook for income, business, and labor market conditions—tumbled 12.6 points to 81.1, just above the threshold of 80 that usually signals a recession ahead. The cutoff date for preliminary results was December 16, 2024.

“The recent rebound in consumer confidence was not sustained in December as the Index dropped back to the middle of the range that has prevailed over the past two years,” said **Dana M. Peterson, Chief Economist** at The Conference Board. “While weaker consumer assessments of the present situation and expectations contributed to the decline, the expectations component saw the sharpest drop. Consumer views of current labor market conditions continued to improve, consistent with recent jobs and unemployment data, but their assessment of business conditions weakened. Compared to last month, consumers in December were substantially less optimistic about future business conditions and incomes. Moreover, pessimism about future employment prospects returned after cautious optimism prevailed in October and November.”

Among **age groups**, December's fall in confidence was led by consumers over 35 years old; consumers under 35 became more confident. Among **income groups**, the decline was concentrated in consumers with household earnings between \$25K and \$100K, while consumers at the bottom and top of the income range reported only limited changes in confidence. On a six-month moving average basis, consumers aged under 35 and those earning over \$100K remained the most confident.

Peterson added: "Consumers became a bit less bullish about the **stock market** in December: 52.9% expected stock prices to increase over the year ahead, down from a record high of 57.2% in November. Also, 25% of consumers expected stock prices to decline, up from 21.7%. The share of consumers expecting **higher interest** rates over the next 12 months ticked up to 48.5% but remained near recent lows. The share expecting lower rates eased to 29.3%—down from recent months but still quite high."

The proportion of consumers anticipating a **recession** over the next 12 months was stable near the series low. Meanwhile, consumers' assessments of their **Family's Financial Situation**—both current and over the next six months—weakened. (These measures are not included in calculating the Consumer Confidence Index®.)

Average 12-month inflation expectations stabilized at 5.0% in December, the lowest since March 2020. Additionally, references to inflation and prices dominated write-in responses. Asked what goods and services they expect to be more affordable in 2025, consumers mostly selected food and gas. Costs for gyms and live events, concerts, and sports were considered the least likely to be more affordable next year.

On a six-month moving average basis, **purchasing plans** for homes were down slightly in December, potentially reflecting rising mortgage rates despite Fed rate cuts. Purchasing plans for autos continued to increase, and more consumers planned to buy big-ticket items over the next 6 months than not. However, consumer buying plans for most appliances and electronics were still down on a 6-month moving average basis. Separately, consumers continued to express intentions to purchase additional services ahead, especially dining out and streaming. Travelling and going to the movies were somewhat lower on the spending list in December, while personal care and health care moved up. Consistent with these findings on travel spending intentions, vacation plans were down for both domestic and international travel.

In write-in responses about factors affecting consumers' views of the economy, mentions of **politics**—including the outcome of November's elections—continued to rise. Mentions of **tariffs** also increased in December. Notably, a special question this month showed that 46% of US consumers expected tariffs to raise the cost of living while 21% expected tariffs to create more US jobs.

Present Situation

Consumers' assessments of **current business conditions** eroded somewhat in December.

- 19.1% of consumers said business conditions were “good,” down from 21.6% in November.
- 16.7% said business conditions were “bad,” up from 15.3%.

Consumers’ appraisals of the **labor market** improved in December.

- 37.0% of consumers said jobs were “plentiful,” up from 33.6% in November.
- 14.8% of consumers said jobs were “hard to get,” down from 15.2%.

Expectations Six Months Hence

Consumers were less optimistic about the outlook for **business conditions** in December.

- 21.7% of consumers expected business conditions to improve, down from 24.7% in November.
- 18.3% expected business conditions to worsen, up from 15.9%.

Consumers’ assessments of the **labor market outlook** returned to being pessimistic.

- 19.1% of consumers expected more jobs to be available, down from 22.8% in November.
- 21.3% anticipated fewer jobs, up from 17.9%.

Consumers’ assessments of their **income prospects** were less optimistic in December.

- 17.2% of consumers expected their incomes to increase, down from 20.7% in November.
- 14.3% expected their incomes to decrease, up from 12.1% in November.

Assessment of Family Finances and Recession Risk

- Consumers’ assessments of their **Family’s Current Financial Situation** were significantly less positive in December compared to last month.
- Consumers’ assessments of their **Family’s Expected Financial Situation** were somewhat less optimistic.
- **Perceived Likelihood of a US Recession over the Next 12 Months** remained near

the series low.

The monthly Consumer Confidence Survey®, based on an online sample, is conducted for The Conference Board by Toluna, a technology company that delivers real-time consumer insights and market research through its innovative technology, expertise, and panel of over 36 million consumers. **The cutoff date for the preliminary results was December 16.**

Source: December 2024 **Consumer Confidence Survey®**
The Conference Board

The Conference Board publishes the Consumer Confidence Index® at 10 a.m. ET on the last Tuesday of every month. Subscription information and the technical notes to this series are available on The Conference Board website:

<https://www.conference-board.org/data/consumerdata.cfm>.

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