



US Consumer Confidence Retreated in January

Updated 28 January 2025

Consumers' optimism about both present and future conditions pulled back

The Conference Board **Consumer Confidence Index**[®] declined by 5.4 points in January to 104.1 (1985=100). December's reading was revised up by 4.8 points to 109.5 but was still down 3.3 points from the previous month. **The Present Situation Index**—based on consumers' assessment of current business and labor market conditions—fell sharply in January, dropping 9.7 points to 134.3. **The Expectations Index**—based on consumers' short-term outlook for income, business, and labor market conditions—fell 2.6 points to 83.9, but remained above the threshold of 80 that usually signals a recession ahead. The cutoff date for preliminary results was January 20, 2025.

“Consumer confidence has been moving sideways in a relatively stable, narrow range since 2022. January was no exception. The Index weakened for a second straight month, but still remained in that range, even if in the lower part,” said **Dana M. Peterson, Chief Economist at The Conference Board**. “All five components of the Index deteriorated but consumers' assessments of the present situation experienced the largest decline. Notably, views of current labor market conditions fell for the first time since September, while assessments of business conditions weakened for the second month in a row. Meanwhile, consumers were also less optimistic about future business conditions and, to a lesser extent, income. The return of pessimism about future employment prospects

seen in December was confirmed in January.”

By **age group**, January’s fall in confidence was led by consumers under 55 years old. Consumers aged 55+ saw a small uptick in confidence. By **income group**, the sharpest decline in confidence was seen in households earning over \$125K, while consumers at the bottom of the income range reported the strongest gains. The confidence gap between the top income groups and those making between \$75K and \$100K narrowed.

Peterson added: “Nonetheless, there were positive notes in other aspects of the survey. Consumers’ views of their Family’s Current Financial Situation were more positive, and six-month expectations for family finances reached a new series high. The proportion of consumers anticipating a recession over the next 12 months was stable near the series low. (These measures are not included in calculating the Consumer Confidence Index®.) Consumers also remained bullish about the stock market, even if a bit less so than at the end of 2024. Over half of consumers (52.9%) expected stock prices to increase over the year ahead, compared to just 23.7% who expected stock prices to decline.”

Average 12-month inflation expectations increased from 5.1% to 5.3% in January, likely reflecting stickier inflation in recent months. Additionally, references to inflation and prices continue to dominate write-in responses. More than half (51.4%) of consumers now expect higher interest rates over the next 12 months. The share expecting lower rates dropped from 28.5% last month to 23.9% in January. This is consistent with recent signaling by the Fed that the pace of interest rate cuts may slow in 2025, as well as ongoing increases in mortgage rates.

On a six-month moving average basis, purchasing plans for homes and cars were flat in January. More consumers planned to buy big-ticket items over the next six months than not, but that share was down slightly. Consumer buying plans were flat for most appliances and still down for electronics on a six-month moving average basis. Separately, consumers continued to express intentions to purchase additional services in the months ahead, especially dining out and streaming. Vacation plans continued to trend downward at the start of 2025.

Present Situation

Consumers’ assessments of **current business conditions** deteriorated in January.

- 18.4% of consumers said business conditions were “good,” down from 21.0% in December.
- 15.4% said business conditions were “bad,” unchanged from December.

Consumers’ appraisals of the **labor market** plunged in January.

- 33.0% of consumers said jobs were “plentiful,” down from 37.1% in December.
- 16.8% of consumers said jobs were “hard to get,” up from 14.9%.

Expectations Six Months Hence

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

- 20.9% of consumers expected business conditions to improve, down from 22.7% in December.
- 18.7% expected business conditions to worsen, up from 17.3%.

Consumers' assessments of the **labor market outlook** remained pessimistic.

- 19.4% of consumers expected more jobs to be available, down slightly from 19.8% in December.
- 20.3% anticipated fewer jobs, unchanged from December.

Consumers' assessments of their **income prospects** were less optimistic in January.

- 18.3% of consumers expected their incomes to increase, down from 19.0% in December.
- 11.9% expected their incomes to decrease, down from 12.1%.

Assessment of Family Finances and Recession Risk

- Consumers' assessments of their **Family's Current Financial Situation** improved in January.

- Consumers' assessments of their **Family's Expected Financial Situation** reached a new high.

- **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 January 20.**

Source: January 2025 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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