



US Consumer Confidence Fell Sharply in January

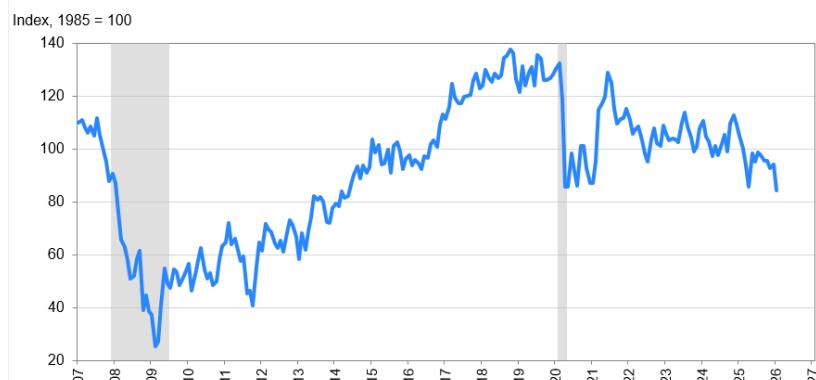
Updated 27 January 2026

Confidence collapsed to lowest point since 2014, surpassing pandemic depths

The Conference Board **Consumer Confidence Index®** fell by 9.7 points in January to 84.5 (1985=100), from an upwardly revised 94.2 in December. A 5.1-point upward revision to December's reading of the Index resulted in a slight increase last month, reversing the initially reported decline. However, January's preliminary results showed confidence resumed declining after a one-month uptick.

The **Present Situation Index**—based on consumers' assessment of current business and labor market conditions—dropped by 9.9 points to 113.7 in January. The **Expectations Index**—based on consumers' short-term outlook for income, business, and labor market conditions—fell by 9.5 points to 65.1, well below the threshold of 80 that usually signals a recession ahead. The cutoff for preliminary results was January 16, 2026.

Consumer Confidence Index®



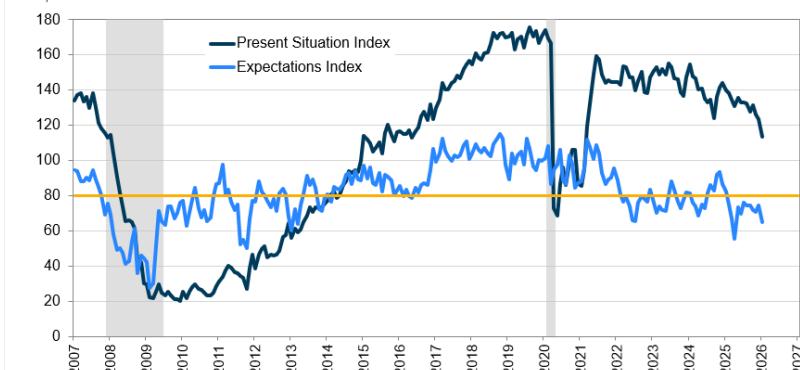
*Shaded areas represent periods of recession.

Sources: The Conference Board; NBER

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Present Situation and Expectations Index

Index, 1985 = 100



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"Confidence collapsed in January, as consumer concerns about both the present situation and expectations for the future deepened," said Dana M Peterson, Chief Economist, The Conference Board. "All five components of the Index deteriorated, driving the overall Index to its lowest level since May 2014 (82.2)—surpassing its COVID-19 pandemic depths."

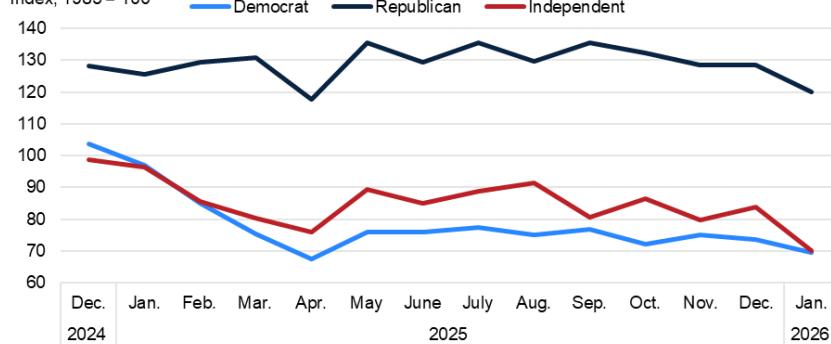
The **Present Situation Index** fell, as net views on current **business conditions** dwindled to just barely positive, at +0.1%. Perceptions of **employment conditions** also edged lower, with the labor market differential—the share of consumers saying jobs are "plentiful" minus the share saying jobs are "hard to get"—continuing to flag. All three **Expectations Index** components also weakened in January. Expectations for **business** and **labor market** conditions six months from now fell further into negative territory. The outlook for household **incomes** became less positive.

Among **demographic groups**, confidence on a six-month moving average basis dipped for all **age** groups in January, although consumers under 35 continued to be more confident than consumers age 35 and older. Confidence among all **generations** trended downward in the month, but Gen Z remained the most optimistic of all generations surveyed. By **income**, confidence on a six-month moving average basis ticked downward for all brackets, and consumers earning less than \$15K remained the least optimistic among all income groups. Consumer confidence continued to fade in January among all **political affiliations**, with the sharpest decline among **Independents**.

Consumer Confidence Index® by Political Affiliation

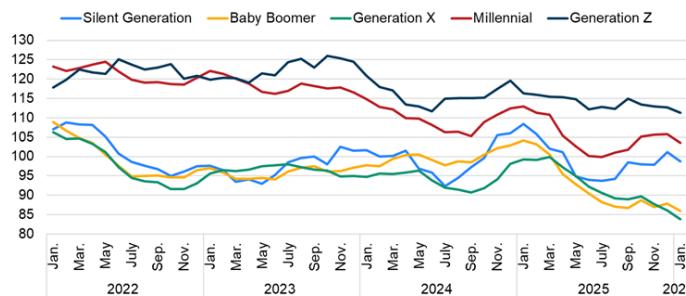
Index, 1985 = 100

Democrat — Republican — Independent



Source: The Conference Board Consumer Confidence Survey®

Consumer Confidence by Generation, six-month moving average

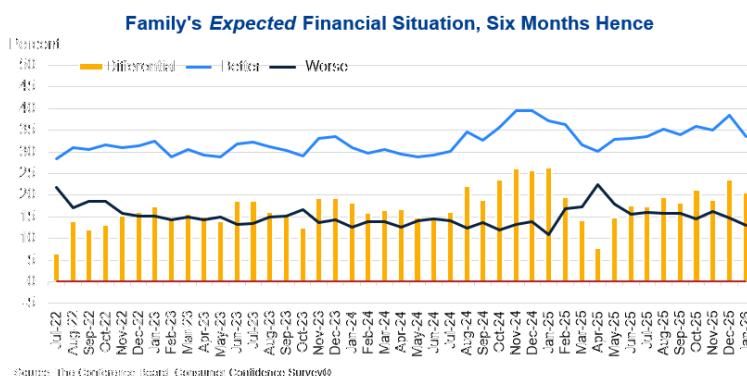
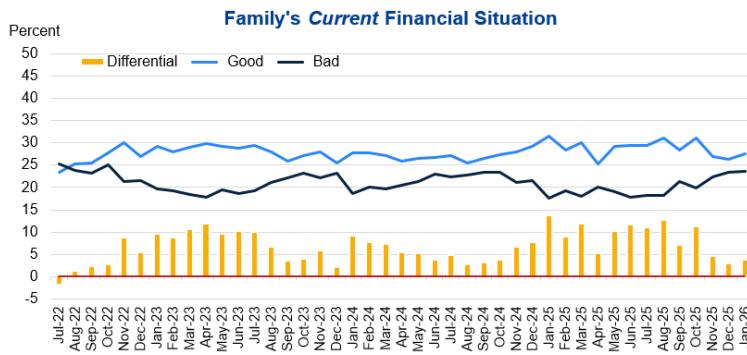


Source: The Conference Board Consumer Confidence Survey®

Peterson added: "Consumers' write-in responses on factors affecting the economy continued to skew towards pessimism. References to prices and inflation, oil and gas prices, and food and grocery prices remained elevated. Mentions of tariffs and trade, politics, and the labor market also rose in January, and references to health/insurance and war edged higher."

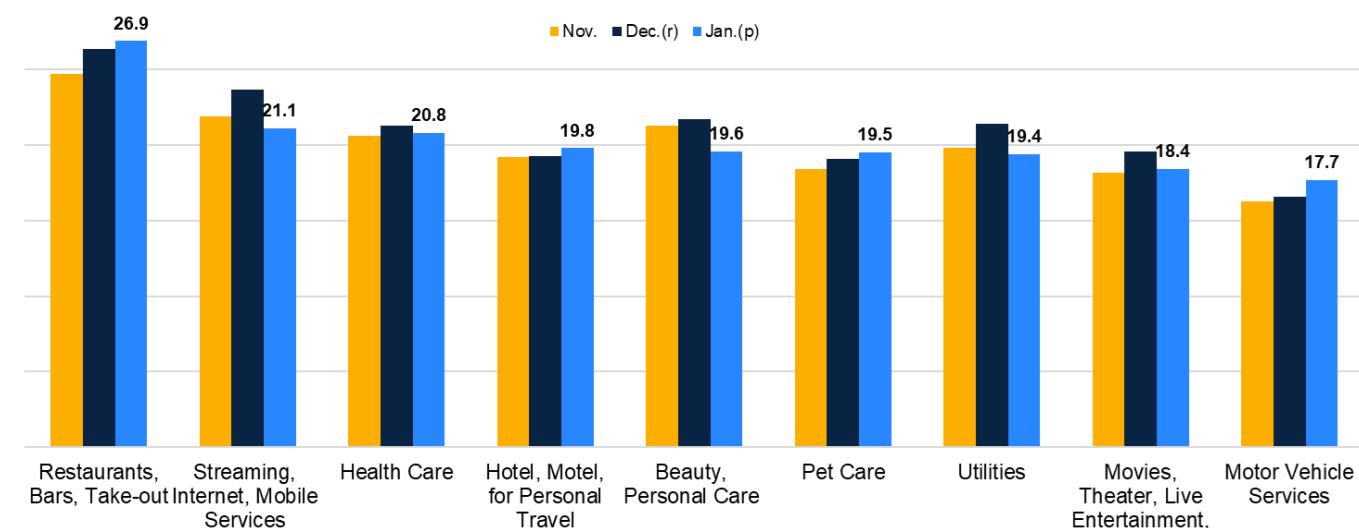
Several weeks after the Federal Reserve cut monetary policy rates in December, the share of consumers expecting **interest rates 12 months from now** to be on net higher dipped in January. Consumers' average **12-month inflation expectations** bounced up, but the median fell further. The balance of consumers' expectations for **stock prices** twelve months from now—higher minus lower—retreated after a pop.

On net, consumers' views of their **Family's Current Financial Situation** improved slightly in January, after a plunge into negative territory in December was revised upward to reveal a small net positive. However, expectations for their **Family's Future Financial Situation** were again less positive in January after an improvement in December. Meanwhile, the share of consumers believing a US **recession over the next 12 months** is "somewhat likely"—edged downward, as did the share who said "not likely." The share who said recession is "very likely" ticked back up and the small percentage who said the US is "already in one" crept higher. (These measures are not included in calculating the Consumer Confidence Index®).



Consumers appeared more cautious about **plans for buying big-ticket items over the next six months**. Consumers who said "yes" to buying big-ticket items ahead declined in January, those who said "maybe" rose, and those who responded "no" edged higher. Overall buying plans for autos were flat in January: On a six-month moving average basis, expectations for purchasing new cars continued to falter, but plans to buy used cars climbed higher. Homebuying expectations continued to retreat. Plans to purchase refrigerators, dishwashers, furniture, and TVs decreased. Plans to buy electronics dipped in all categories besides smartphones, which continued to trend upward on a six-month moving average basis. Used cars, furniture, TVs, and smartphones remained the most popular within their categories for future purchases.

Services Consumers Expect to Spend More On in the Next Six Months (Percent)



Source: The Conference Board Consumer Confidence Survey®

Consumers' **planned spending on services over the next six months** was weaker in January. The share who said "yes" fell, those who said "maybe" increased, and those who responded "no" was roughly unchanged. Consumer spending trends in 2025 moved towards cheap thrills and necessary services, and away from expensive and highly discretionary activities. These behaviors spilled over into the new year.

In January, restaurants, bars, and take-out remained the top planned services spending category and continued to rise. Consumers also intended to spend more on hotels/motels for personal travel; motor vehicle services; household maintenance; and airfare/trains for personal travel. The increased intentions to spend more on travel-related services in the first half of 2026 was surprising, given the plunge in vacation plans, especially for domestic travel, also recorded in the survey.

Top categories for services still included restaurants, bars, take-out; streaming, internet, mobile services; healthcare; and beauty and personal care. Hotel/motel displaced utilities, and healthcare moved up.

Present Situation

Consumers' views of **current business conditions** worsened in January.

- 17.9% of consumers said business conditions were "good," down from 19.8% in December.

- 17.8% said business conditions were "bad," up slightly from 17.6%.

Consumers' views of the **labor market** were also weaker in January.

- 23.9% of consumers said jobs were "plentiful," down from 27.5% in December.
- 20.8% of consumers said jobs were "hard to get," up from 19.1%.

Expectations Six Months Hence

Consumers were more pessimistic about future **business conditions** in January.

- 15.6% of consumers expected business conditions to improve, down from 18.7% in December.
- 22.9% expected business conditions to worsen, up from 21.3%.

Consumers were also more concerned about the **labor market** outlook in January.

- 13.9% of consumers expected more jobs to be available, down from 17.4% in December.
- 28.5% anticipated fewer jobs, up from 26.0%.

Consumers' outlook for their **income prospects** was less positive in January.

- 15.7% of consumers expected their incomes to increase, down from 18.8% in December.
- However, 12.6% expected their incomes to decline, down from 13.0%.

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 16.**

Source: January 2026 *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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