



## US Consumer Confidence Still Mixed in July

*Updated 30 July 2024*

### Overall Confidence Ticked Up, But Consumers Are Downgrading the Present

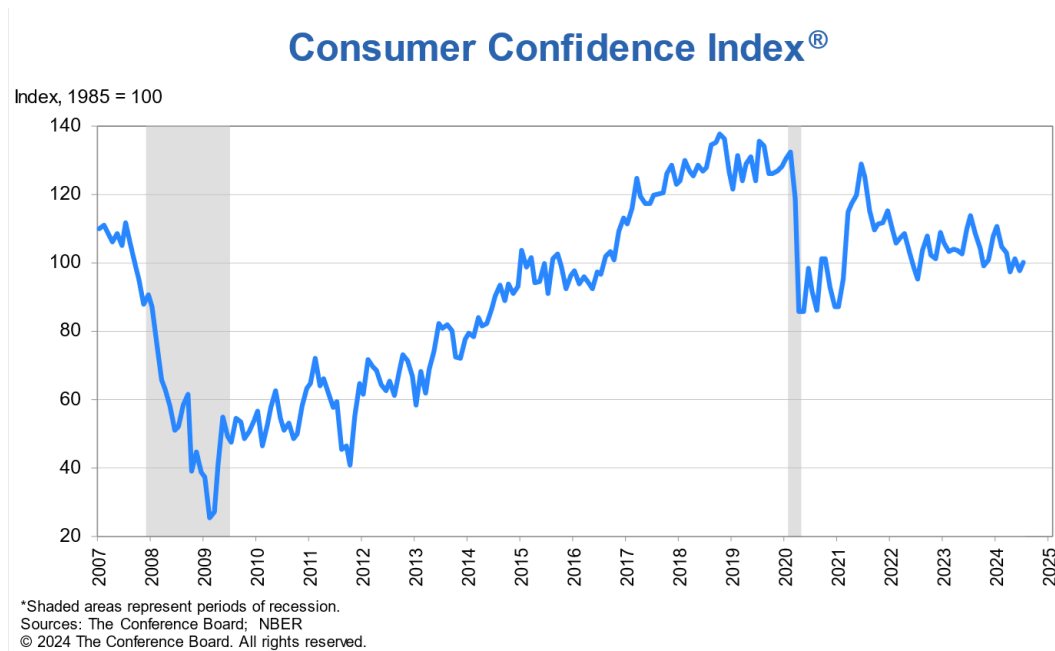
The Conference Board **Consumer Confidence Index**<sup>®</sup> rose in July to 100.3 (1985=100), from a downwardly revised 97.8 in June. The **Present Situation Index**—based on consumers' assessment of current business and labor market conditions—declined to 133.6 from 135.3 last month. Meanwhile, the **Expectations Index**—based on consumers' short-term outlook for income, business, and labor market conditions—improved in July to 78.2. That's up from 72.8 in June but still below 80 (the threshold which usually signals a recession ahead). The cutoff date for the preliminary results was July 22, 2024.

“Confidence increased in July, but not enough to break free of the narrow range that has prevailed over the past two years,” said **Dana M. Peterson, Chief Economist at The Conference Board**. “Even though consumers remain relatively positive about the labor market, they still appear to be concerned about elevated prices and interest rates, and uncertainty about the future; things that may not improve until next year.”

“Compared to last month, consumers were somewhat less pessimistic about the future. Expectations for future income improved slightly, but consumers remained generally negative about business and employment conditions ahead. Meanwhile, consumers were a bit less positive about current labor and business conditions. Potentially, smaller monthly job additions are weighing on consumers' assessment of current job availability: while still quite strong, consumers' assessment of the current labor market situation

declined to its lowest level since March 2021.”

“In July, confidence improved among consumers under 35 and those 55 and older; only the 35-54 age group saw a decline. On a six-month moving average basis, confidence remained the highest among consumers under 35. On a month-over-month basis, no clear pattern emerged in terms of income groups. On a six-month moving average basis, consumers making over \$100K were the most confident, but the gap with other groups narrowed.”



**Peterson** added: “The proportion of consumers predicting a forthcoming **recession** ticked up in July but remains well below the 2023 peak. Consumers’ assessments of their *Family’s Financial Situation*—both currently and over the next six months—was less positive. Indeed, assessments of familial finances have deteriorated continuously since the beginning of 2024.” (These measures are not included in calculating the Consumer Confidence Index®.)

**Average 12-month inflation expectations** remained stable at 5.4 percent in July, compared to a peak of 7.9 percent reported in 2022. The share of consumers expecting higher **interest rates** over the next 12 months dropped for the second month in a row to 50.3 percent—the lowest since February 2024. Meanwhile, consumers were positive about the **stock market**, with 49.1 percent expecting stock prices to increase over the year ahead (the highest share since March), 23.5 percent expecting a decrease, and 27.4 percent expecting no change.

July’s **write-in responses** showed that elevated prices, especially for food and groceries, and inflation (the rate of change in prices), remain the key drivers of consumers’ views of the economy, followed by the US political situation and the labor market. Mentions about the forthcoming elections increased, although the share of respondents believing the

2024 election would impact the economy was lower than write-ins from July 2016.

On a six-month moving average basis, **purchasing plans** for **homes** fell to a 12-year low. While buying plans for **cars** were little changed, buying plans for most **big-ticket appliances** increased slightly. Additionally, more consumers reported plans to buy a **smartphone** or **laptop/PC** in the next six months.

Based on a supplemental question, **planned spending on services** appeared weaker in July 2024 than in July 2023. Consumers said they plan to spend less over the next six months on many discretionary items, including gambling, amusement parks, and personal travel. They also plan to purchase less expensive services—for example, streaming instead of going to the movies. The planned reduction in services spending was across the board, but consumers continued to prioritize non-discretionary expenditures like healthcare and motor vehicle services.

### Present Situation

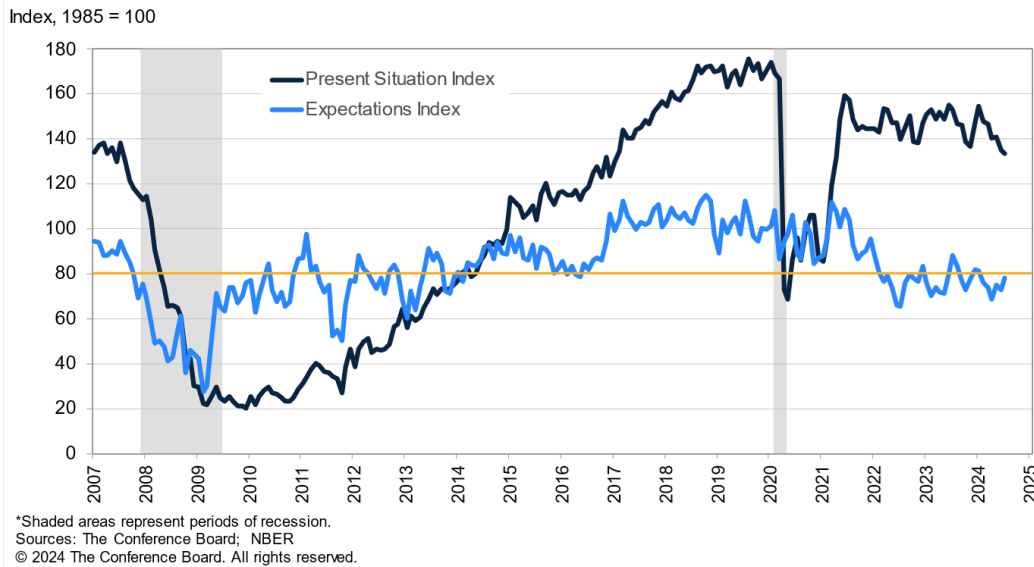
Consumers' assessment of **current business conditions** was slightly less positive in July.

- 18.8% of consumers said business conditions were “good,” down slightly from 18.9% in June.
- 18.3% said business conditions were “bad,” up from 18.1%.

Consumers' appraisal of the **labor market** deteriorated in July.

- 34.1% of consumers said jobs were “plentiful,” down from 35.5% in June.
- 16.0% of consumers said jobs were “hard to get,” up from 15.7%.

## Present Situation and Expectations Index



### Expectations Six Months Hence

Consumers were more optimistic about the **short-term business conditions** outlook in July.

- 14.8% of consumers expected business conditions to improve, up from 13.2% in June.
- 16.7% expected business conditions to worsen, down from 17.6%.

Consumers' assessment of the **short-term labor market outlook** was less negative in July.

- 14.5% of consumers expected more jobs to be available, up from 13.1% in June.
- 16.7% anticipated fewer jobs, down from 18.3%.

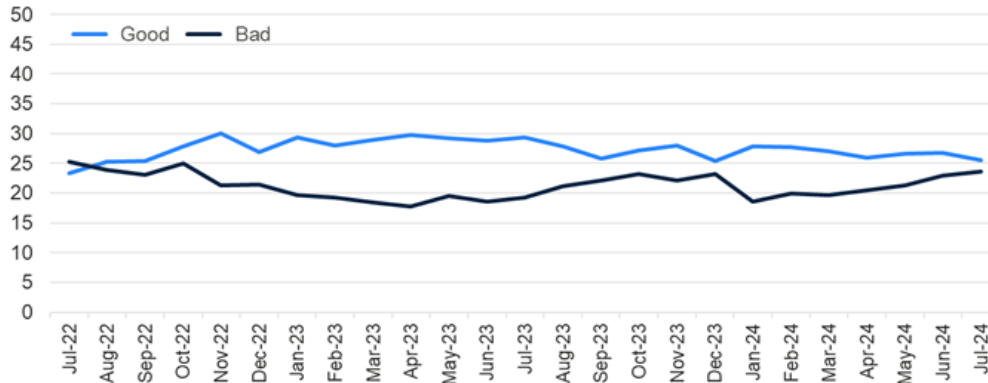
Consumers' assessment of their **short-term income prospects** was less pessimistic in July.

- 15.6% of consumers expected their incomes to increase, down from 16.2% in June.
- 11.6% expected their incomes to decrease, also down from 12.3%.

### Assessment of Family Finances and Recession Risk

- Consumers' assessment of their **Family's Current Financial Situation** weakened in July.

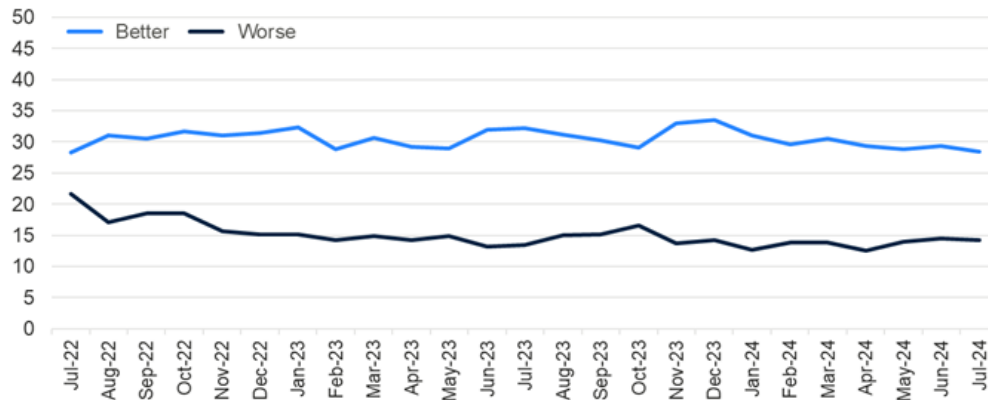
### Family's Current Financial Situation (Percent)



Source: The Conference Board, Consumer Confidence Survey®

- Consumers' assessment of their **Family's Financial Situation** going forward was less optimistic.

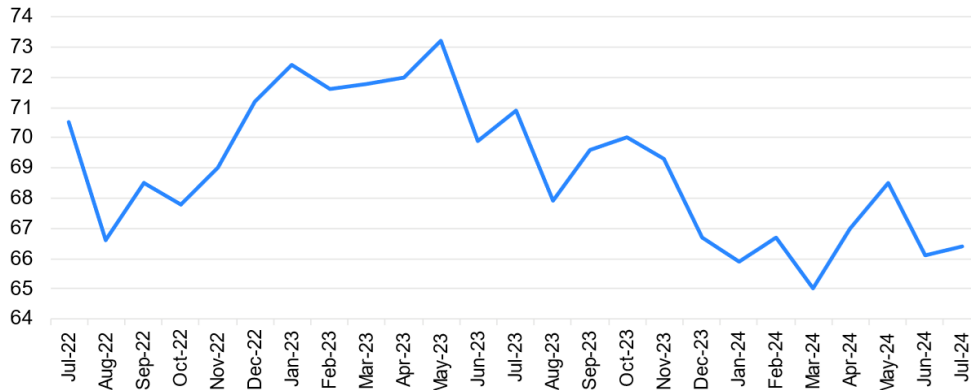
### Family's Expected Financial Situation, Six Months Hence (Percent)



Source: The Conference Board, Consumer Confidence Survey®

- Consumers' **Perceived Likelihood of a US Recession over the Next 12 Months** remains well below its 2023 peak.

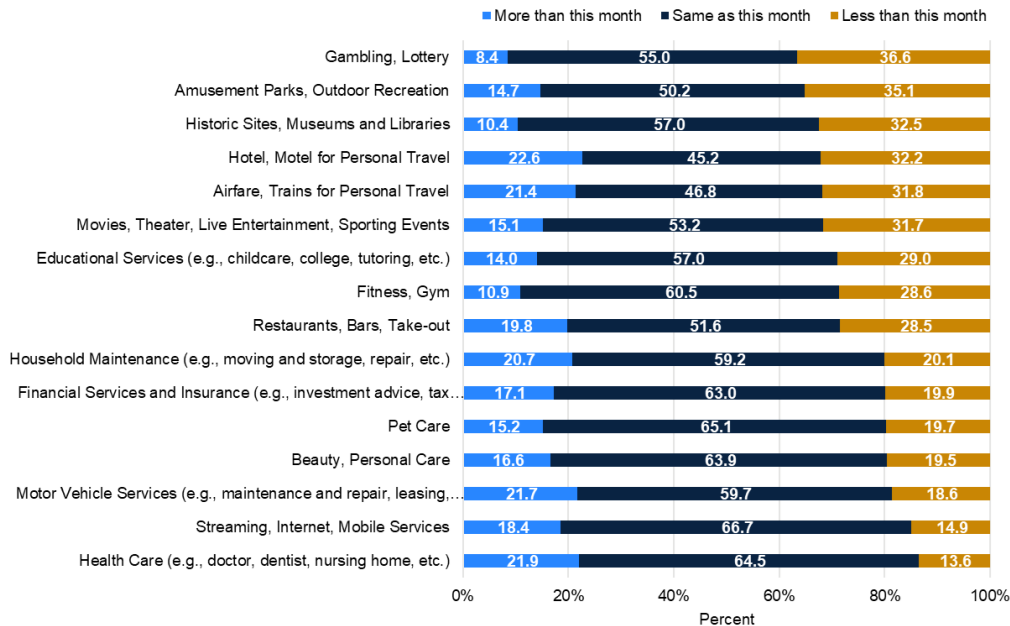
**Perceived likelihood of a US recession over the next 12 months**  
*"Somewhat + Very Likely" (Percent)*



Source: The Conference Board, Consumer Confidence Survey®

**Consumers planned to spend less on discretionary services over the next six months.**

Over the next 6 months, do you expect to spend more or less in the following activities/services?



Source: The Conference Board *Consumer Confidence Survey*®, July 2024

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 July 22.**

Source: July 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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### For further information contact:

Jonathan Liu at +732.991.1754 [JLiu@tcb.org](mailto:JLiu@tcb.org)

Joseph DiBlasi at +781.308.7935 [JDiBlasi@tcb.org](mailto:JDiBlasi@tcb.org)



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