



US Consumer Confidence Bounced Back in October

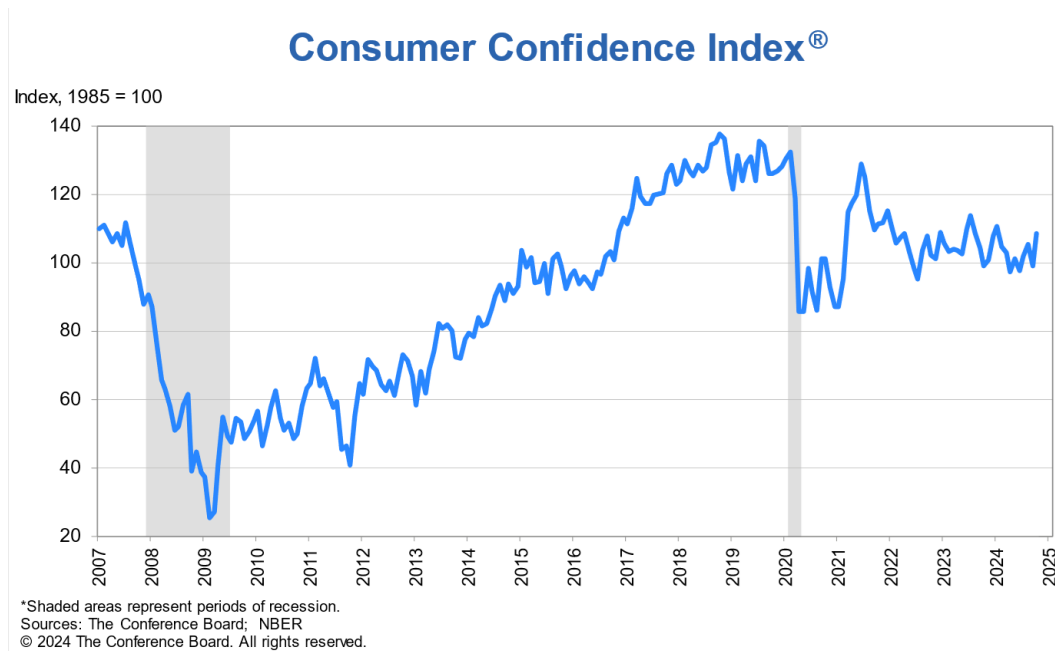
Updated 29 October 2024

Confidence Rebounded in October as Consumers Regained Faith in the US Economy

The Conference Board **Consumer Confidence Index**[®] increased in October to 108.7 (1985=100), up from 99.2 in September. The **Present Situation Index**—based on consumers' assessment of current business and labor market conditions—increased by 14.2 points to 138.0. The **Expectations Index**—based on consumers' short-term outlook for income, business, and labor market conditions—increased by 6.3 points to 89.1, well above the threshold of 80 that usually signals a recession ahead. The cutoff date for the preliminary results was October 23, 2024.

“Consumer confidence recorded the strongest monthly gain since March 2021, but still did not break free of the narrow range that has prevailed over the past two years,” said **Dana M. Peterson, Chief Economist at The Conference Board**. “In October’s reading, all five components of the Index improved. Consumers’ assessments of current business conditions turned positive. Views on the current availability of jobs rebounded after several months of weakness, potentially reflecting better labor market data. Compared to last month, consumers were substantially more optimistic about future business conditions and remained positive about future income. Also, for the first time since July 2023, they showed some cautious optimism about future job availability.”

“October’s increase in confidence was broad-based across all age groups and most income groups. In terms of age, confidence rose sharpest for consumers aged 35 to 54. On a six-month moving average basis, householders aged under 35 and those earning over \$100K remained the most confident.”



Peterson added: “The proportion of consumers anticipating a recession over the next 12 months dropped to its lowest level since the question was first asked in July 2022, as did the percentage of consumers believing the economy was already in recession. Consumers’ assessments of their Family’s Current Financial Situation were unchanged, but optimism for the next six months reached a series high. (These measures are not included in calculating the Consumer Confidence Index®).”

Consumers became more upbeat about the **stock market**: 51.4% of consumers expected stock prices to increase over the year ahead, the highest reading since the question was first asked in 1987. Only 23.6% expected stock prices to decline. The share of consumers expecting higher **interest rates** over the next 12 months increased to 47.5% after declining for four months in a row. The share expecting lower rates decreased to 30.3%. Write-in responses showed that consumers welcomed the recent reduction in interest rates but felt that levels were still too high.

Meanwhile, despite further slowing in overall inflation and declines in gas prices, **average 12-month inflation expectations** rose to 5.3% in October from 5.2% last month. This may reflect continued upward pressures on food and services prices. Still, inflation expectations were well below the peak of 7.9% in March 2022. Mentions of prices and inflation continued to top **write-in responses** as topics affecting consumers’ views of the economy, but more respondents mentioned slower inflation and lower grocery prices.

On a six-month moving average basis, **purchasing plans for homes** and new **cars**

continued to increase. When asked about plans to buy more **durable goods** or **services** over the next six months, consumers continued to express a slightly greater preference for purchasing goods. Consumer buying plans for **big-ticket appliances** were mixed and buying plans for **electronics** were slightly down. Regarding services, consumers' priorities were little changed, but they were keen to spend a bit more on some discretionary items going forward. Plans to dine out and stay in hotels popped in October. Plans to enjoy entertainment outside of the home, like museums and amusement parks, while still at the bottom of the list, also ticked up.

In October, write-in responses about politics, including the November elections, were largely unchanged and below both 2020 and 2016 levels. In October 2016, "election" was the most mentioned key word in the write-in responses; in October 2020 it was second behind COVID. "Election" ranked just 5th in this month's survey, behind references to prices, inflation, food and groceries.

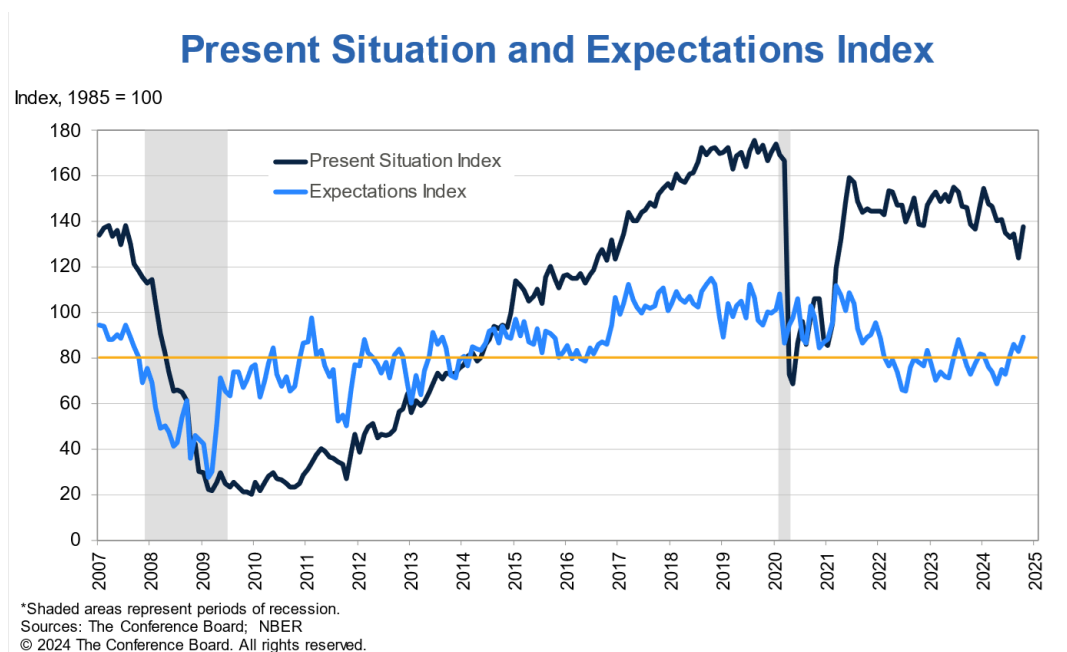
Present Situation

Consumers' assessments of **current business conditions** turned positive in October.

- 21.4% of consumers said business conditions were "good," up from 18.6% in September.
- 16.4% said business conditions were "bad," down from 20.5%.

Consumers' appraisals of the **labor market** improved in October.

- 35.1% of consumers said jobs were "plentiful," up from 31.3% in September.
- 16.8% of consumers said jobs were "hard to get," down from 18.6%.



Expectations Six Months Hence

Consumers were more optimistic about the **business conditions outlook** in October.

- 21.0% of consumers expected business conditions to improve, up from 19.4% in September.
- 13.2% expected business conditions to worsen, down from 17.1%.

Consumers' assessments of the **labor market outlook** became more optimistic than pessimistic for the first time since July 2023.

- 17.8% of consumers expected more jobs to be available, up from 17.1% in September.
- 17.1% anticipated fewer jobs, down from 18.8%.

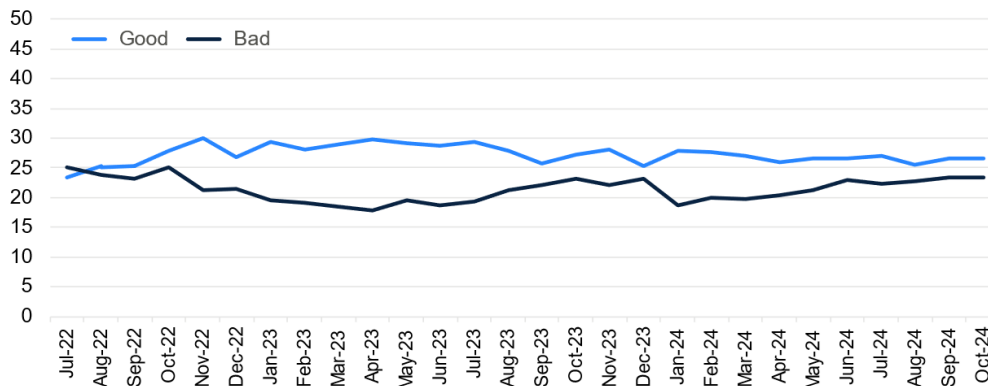
Consumers' assessments of their **income prospects** were virtually unchanged in October.

- 18.9% of consumers expected their incomes to increase, unchanged from September.
- 12.8% expected their incomes to decrease, slightly down from 12.9%.

Assessment of Family Finances and Recession Risk

- Consumers' assessment of their **Family's Current Financial Situation** were essentially unchanged.

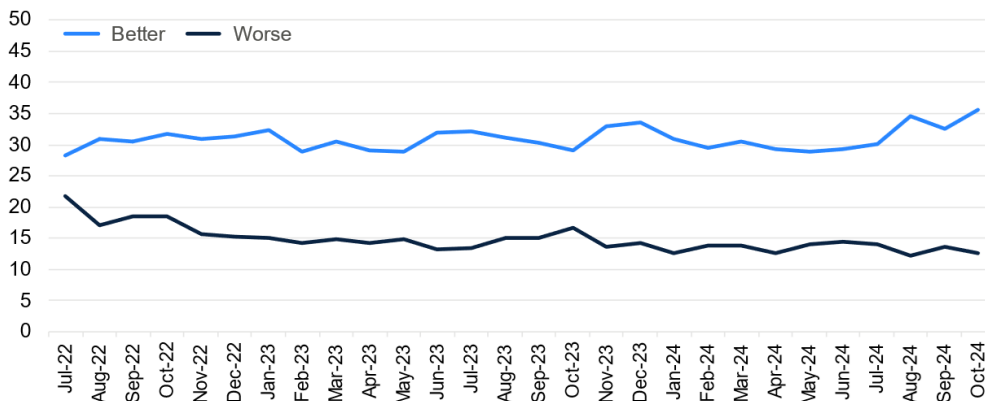
Family's Current Financial Situation
(Percent)



Source: The Conference Board, Consumer Confidence Survey®

- Consumers were more optimistic about their **Family's Expected Financial Situation** in October.

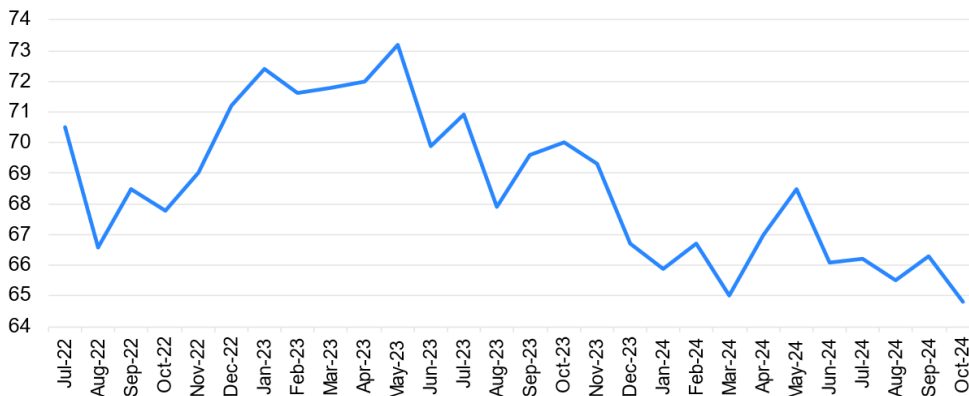
Family's *Expected* Financial Situation, Six Months Hence (Percent)



Source: The Conference Board, Consumer Confidence Survey®

- Consumers' **Perceived Likelihood of a US Recession over the Next 12 Months** dropped to a new low in October.

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



Source: The Conference Board, Consumer Confidence Survey®

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 October 23.**

Source: October 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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