

Consumer Confidence Survey

September 2024

SEPTEMBER RESULTS

▼	Consumer Confidence Index®	98.7	-6.9
▼	Present Situation	124.3	-10.3
▼	Expectations	81.7	-4.6

US Consumer Confidence Fell in September

Consumer Confidence Weakened as Consumers Worry About Jobs

The Conference Board **Consumer Confidence Index**® fell in September to 98.7 (1985=100), from an upwardly revised 105.6 in August. The **Present Situation Index**—based on consumers' assessment of current business and labor market conditions—fell by 10.3 points to 124.3. The **Expectations Index**—based on consumers' short-term outlook for income, business, and labor market conditions—declined by 4.6 points to 81.7, but remained above 80. (A reading below the threshold of 80 usually signals a recession ahead.) The cutoff date for the preliminary results was September 17, 2024.

“Consumer confidence dropped in September to near the bottom of the narrow range that has prevailed over the past two years,” said **Dana M. Peterson, Chief Economist at The Conference Board**. “September’s decline was the largest since August 2021 and all five components of the Index deteriorated. Consumers’ assessments of current business conditions turned negative while views of the current labor market situation softened further. Consumers were also more pessimistic about future labor market conditions and less positive about future business conditions and future income.”

“The drop in confidence was steepest for consumers aged 35 to 54. As a result, on a six-month moving average basis, the 35–54 age group has become the least confident while consumers under 35 remain the most confident. Confidence declined in September across most income groups, with consumers earning less than \$50K experiencing the largest decrease. On a six-month moving average basis, consumers earning over \$100K remained the most confident.”

Peterson added: “The deterioration across the Index’s main components likely reflected consumers concerns about the labor market and reactions to fewer hours, slower payroll increases, fewer job openings—even if the labor market remains quite healthy, with low unemployment, few layoffs and elevated wages. The proportion of consumers anticipating a recession over the next 12 months remained low but there was a slight uptick in the percentage of consumers believing the economy was already in recession.”

The share of consumers expecting higher **interest rates** over the next 12 months dropped for the fourth month in a row to 46.5%—the lowest since February 2024. The share expecting lower rates increased to 33.3%, the highest since April 2020. September **write-in responses** also included more mentions of interest rates as affecting consumer’s views of the US economy.

Despite slower overall inflation and declines in some goods prices, **average 12-month inflation expectations** increased to 5.2% in September. Nonetheless, this measure remains well below the peak of 7.9% reached in March 2022. Mentions of prices and inflation continued to top **write-in responses** as topics affecting consumers’ views of the economy, but there was some increase in respondents mentioning lower inflation. Meanwhile, consumers’ expectations for the stock market stabilized after the financial market tumult in early August: 25% of consumers expected stock prices to fall over the year ahead (down from 26.5% in August), while 47.6% expected stock prices to rise (down slightly from 47.9% in August).

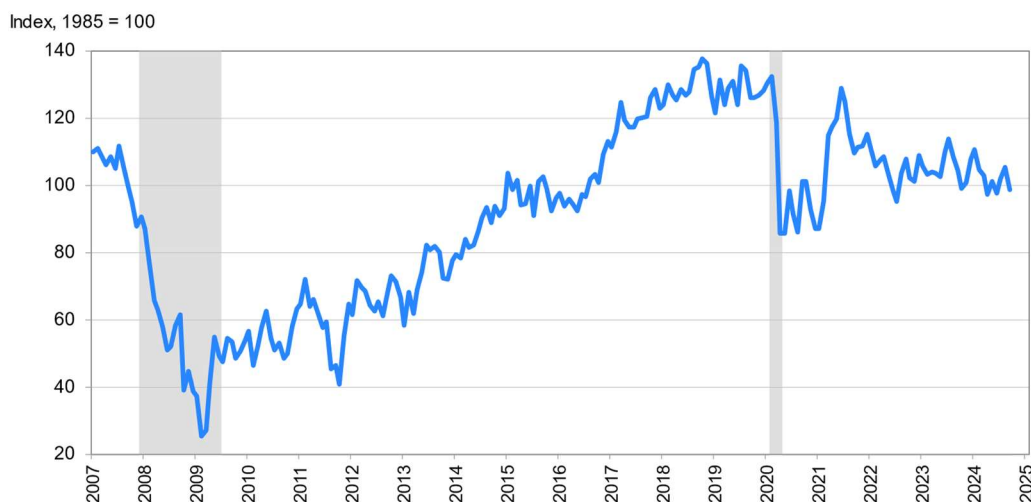
While still positive, consumers’ assessments of their **Family’s Financial Situation**—both current and expected over the next six months—weakened in September compared to August. (These measures are not included in calculating the Consumer Confidence Index®).

Against this backdrop, consumer buying plans for **big-ticket appliances** were mixed and plans to buy a **smartphone** or **laptop/PC** in the next six months eased. However, on a six-month moving average basis, **purchasing plans** for **homes** and new **cars** improved slightly. When asked about plans to buy more goods or services over the next six months, consumers showed a slightly greater preference for purchasing goods.

A new question about services in this month’s survey revealed consumers were still keen to travel and dine out in September. It found that consumers were still willing to stream entertainment at home but that interest in going to the movies rose in recent months. Regarding non-discretionary services like health care and utilities, planned spending over the next 6 months was also strong.

In September, write-in responses about politics, including the November elections, remained below both 2020 and 2016 levels.

Consumer Confidence Index®



*Shaded areas represent periods of recession.
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Present Situation

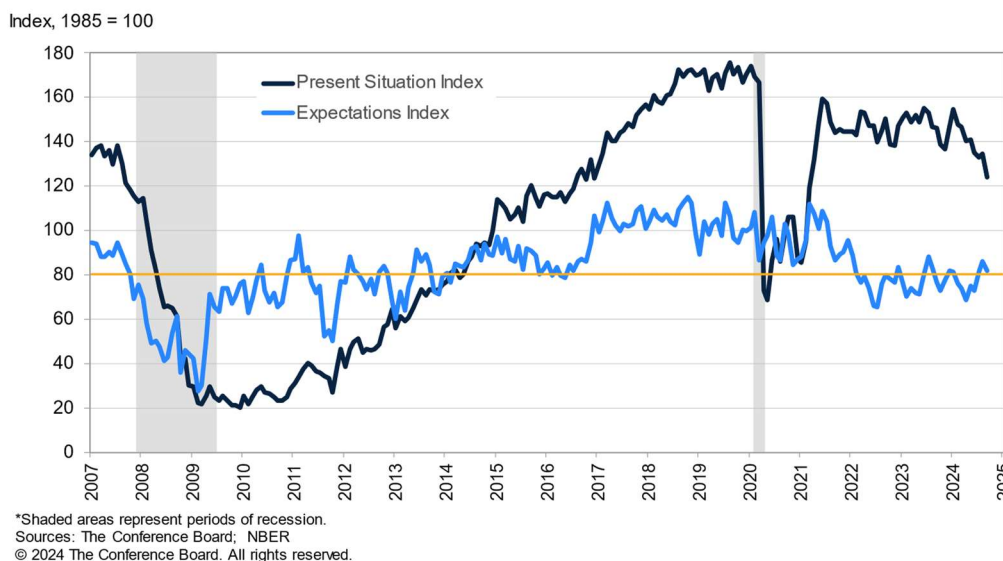
Consumers' assessments of **current business conditions** turned negative in September.

- 18.8% of consumers said business conditions were “good,” down from 21.1% in August.
- 20.2% said business conditions were “bad,” up from 17.3%.

Consumers' appraisals of the **labor market** deteriorated in September.

- 30.9% of consumers said jobs were “plentiful,” down from 32.7% in August.
- 18.3% of consumers said jobs were “hard to get,” up from 16.8%.

Present Situation and Expectations Index



Expectations Six Months Hence

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

- 18.5% of consumers expected business conditions to improve, down from 19.1% in August.
- 16.6% expected business conditions to worsen, up from 14.5%.

Consumers' assessments of the **labor market outlook** were more pessimistic in September.

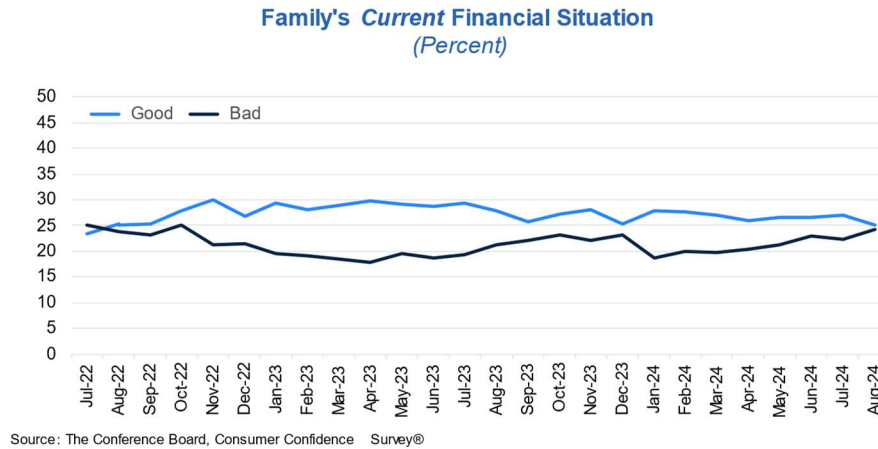
- 16.4% of consumers expected more jobs to be available, up slightly from 16.3% in August.
- But 18.3% anticipated fewer jobs, up from 17.0%.

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

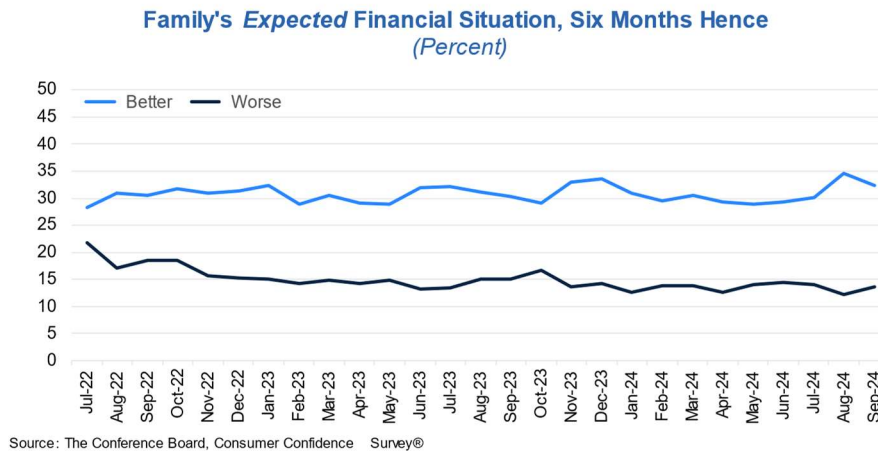
- 18.0% of consumers expected their incomes to increase, down from 18.6% in August.
- 13.0% expected their incomes to decrease, up from 11.7%.

Assessment of Family Finances and Recession Risk

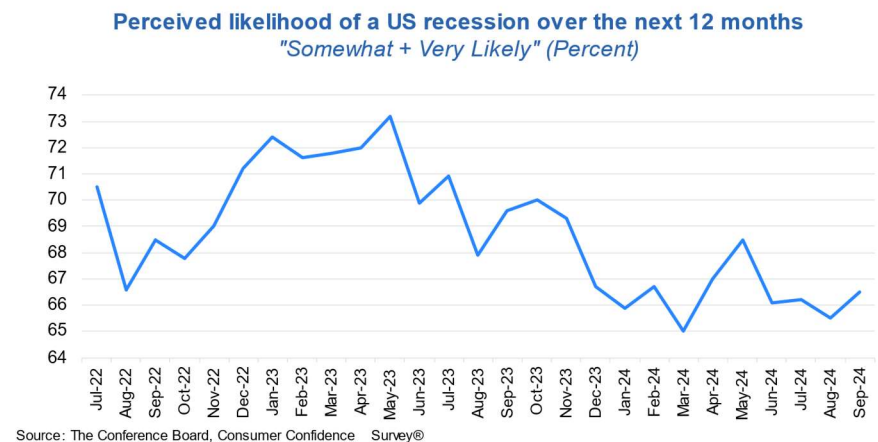
Consumers' assessments of their **Family's Current Financial Situation** weakened further.



Consumers' assessments of their **Family's Expected Financial Situation** going forward were also less optimistic.



Consumers' **Perceived Likelihood of a US Recession over the Next 12 Months** ticked up in September but remained well below the May 2020 peak.



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 September 17, 2024.**



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