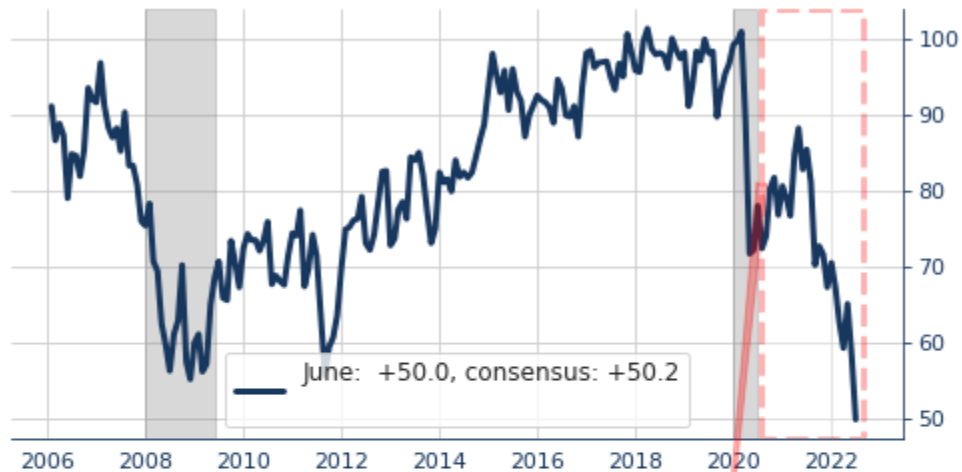


24.Jun.2022

### Consumer Sentiment: Record Low

**Bottom Line:** Consumer sentiment plunged in early June and remained low throughout the month, according to the final reading of the University of Michigan survey. The survey index fell to a record low as consumers across all incomes, ages, and geographies reported lower sentiment, regardless of their wealth or education. While the survey size is relatively small, the impact of historic consumer inflation can't be understated. 79% of consumers reported bad times ahead for business conditions, the highest since 2009. The one positive in this report was a very slight decline in consumers' expectations for future inflation. While not much, consumers might be starting to assume inflation can't get much worse. Overall, as the summer season gets underway, consumers are experiencing a sharp drop in their disposable income as they pay more at the pump and face sticker shock at the high travel costs. While income gains had absorbed some of the impacts a year ago, this year, most households feel less wealthy as they burn savings for essential needs and watch investment portfolios decline in value.

## U. Mich. Consumer Sentiment June: +50.0, consensus: +50.2



### Recent Trends



Contingent Macro Advisors 2022 source: University of Michigan

**Consumer Sentiment** was REVISED DOWN by 0.2 points in late June to 50.0, compared with market expectations for no change to 50.2.

Sentiment has deteriorated by -9.4 points over the past 3 months. With this month's sharp decline, compared to May's final level of 58.4, sentiment is 41.5% BELOW its year-ago level.

**Current Conditions** were REVISED DOWN by 1.6 points to 53.80. Current conditions are now 39.3% BELOW their year-ago level.

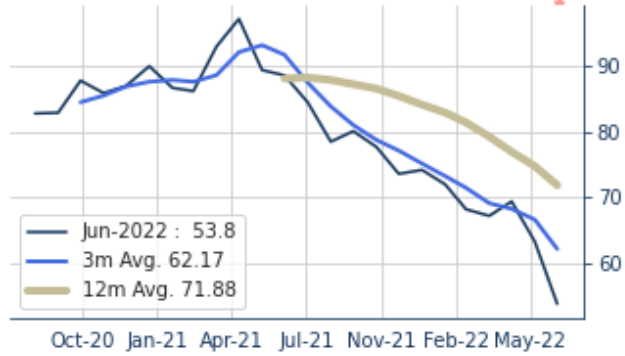
**Consumer Expectations** were REVISED UP by 0.7 points to 47.5. Despite this month's sharp decline, compared to May's final level of 55.2, expectations are 43.1% BELOW their year-ago level.

## Current Conditions

**June: +53.8, consensus: +55.4**



### Recent Trends

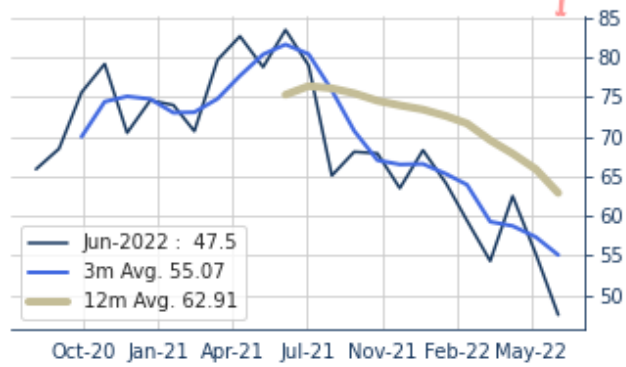


## Future Expectations

### June: +47.5, consensus: +48



### Recent Trends



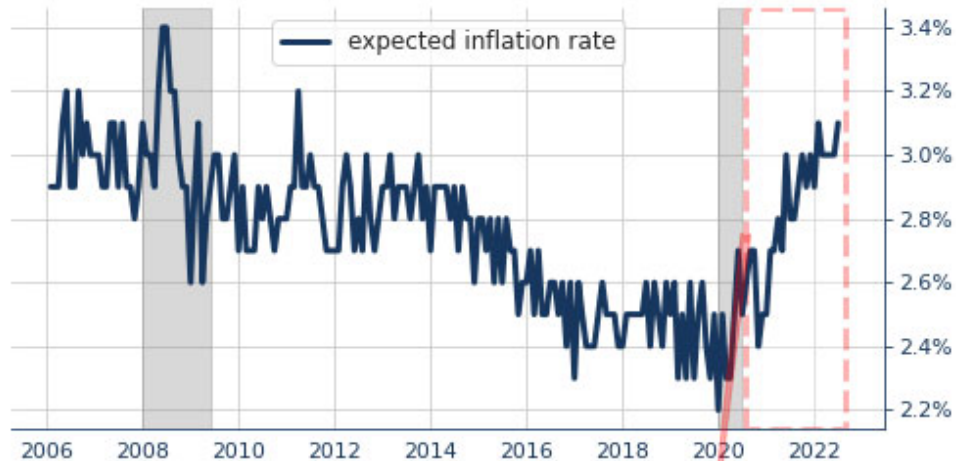
# 1-year Ahead Inflation Expectations



## Recent Trends



## 5-year Ahead Inflation Expectations

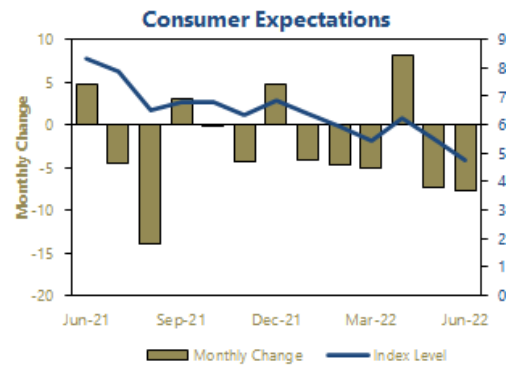
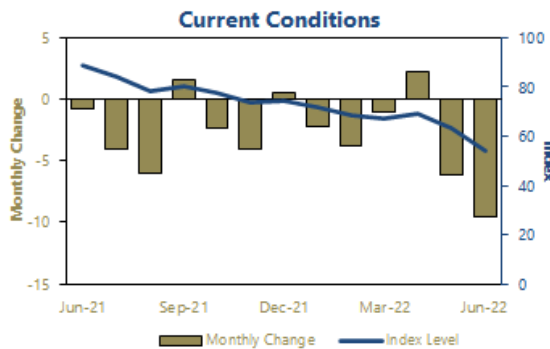


### Recent Trends



Contingent Macro Advisors 2022 source: University of Michigan

	Index Levels										
	Monthly				Averages for						
	Jun Final	Jun Prelim.	May-22	Apr-22	Three Month	Six Month	Twelve Month	2020	2019	Re-cessions	Ex-pansions
<b>Consumer Sentiment</b>	50.0	50.2	58.4	65.2	57.9	60.5	66.4	80.7	99.3	68.3	86.9
<b>Current Conditions</b>	53.8	55.4	63.3	69.4	62.2	65.7	71.9	90.0	115.5	80.8	98.9
<b>Consumer Expectations</b>	47.5	46.8	55.2	62.5	55.1	57.2	62.9	74.6	88.9	60.5	79.1
<b>1-year Inflation Expectation</b>	5.3	5.4	5.3	5.4	5.3	5.1	4.9	2.7	2.6		
<b>5-year Inflation Expectation</b>	3.1	3.3	3.0	3.0	3.1	3.0	3.0	2.5	2.4		



Source: University of Michigan Surveys of Consumers via Bloomberg. Our calculations.

## Recent Reports