

29. Aug.2023.

Consumer Confidence: Surprise Drop

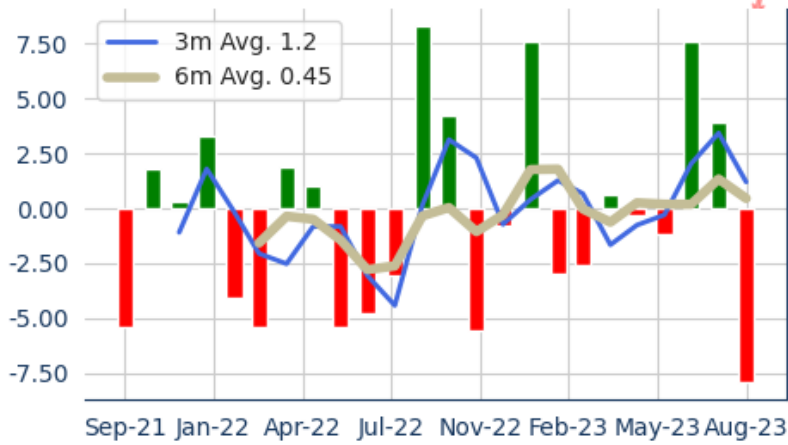
Bottom Line: The Conference Board's Consumer Confidence Index fell sharply in August, well below expectations. Consumers reported a more dour mood about their current situation and future expectations. The survey's economist noted that many respondents expressed concerns about another increase in gasoline and grocery store prices. While confidence was relatively steady for households earning \$50-100k per year, wealthier and lower-income households accounted for most of the decline in confidence. The labor differential -- those reporting jobs "plentiful" versus "hard to get" -- fell sharply, suggesting the easing in labor market conditions was starting to affect consumer confidence. **Overall, the level of future expectations remains concerning, at a level historically consistent with recessions. However, the current situation index suggests the consumer will plod along, growing very slowly.**

Conference Board Consumer Confidence

August: +106.1, consensus: +112

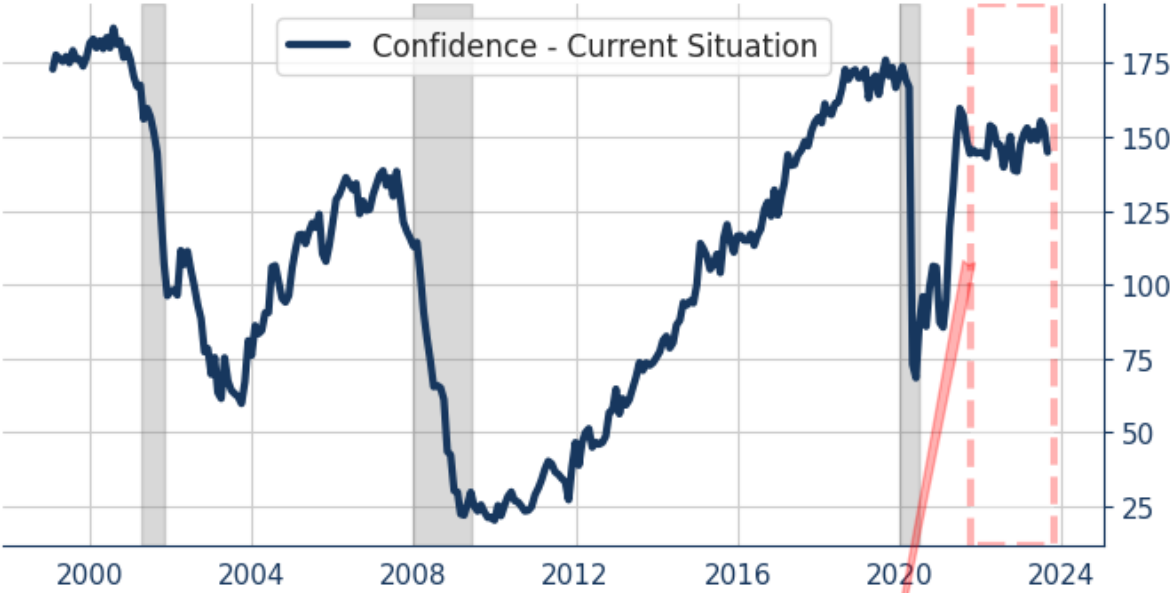


recent monthly changes

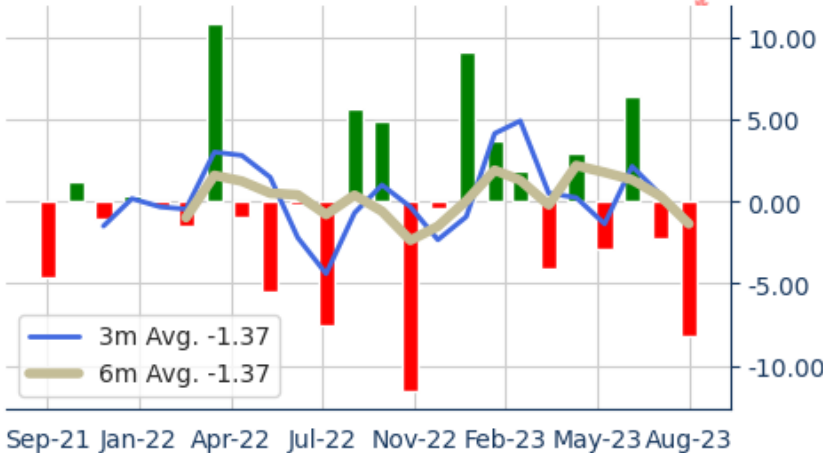


Contingent Macro Advisors 2023 source: US BEA

Confidence - Current Situation

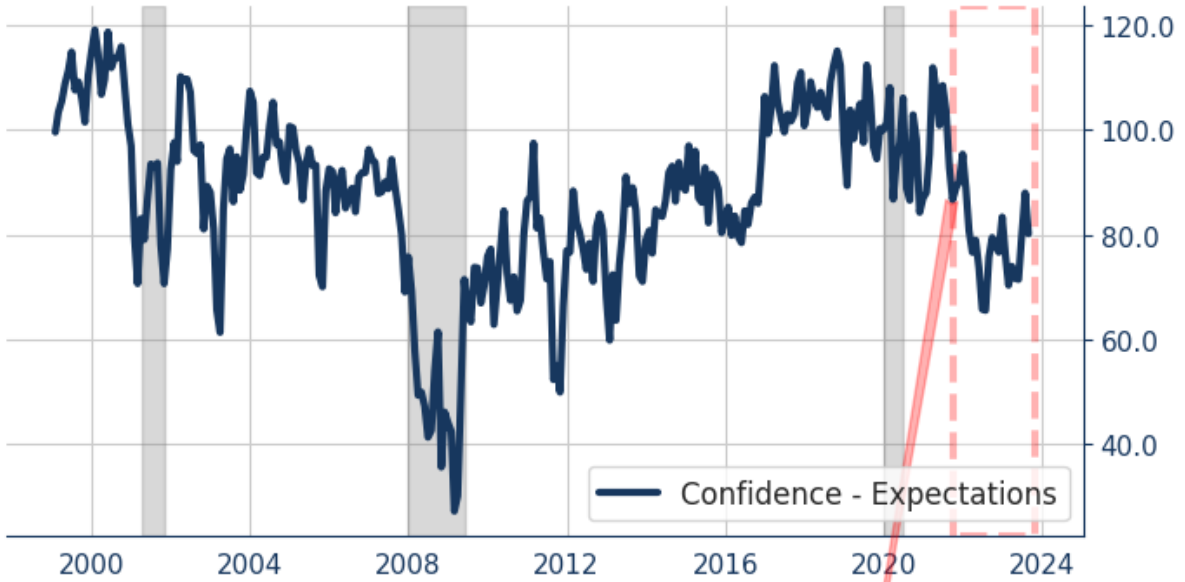


recent monthly changes

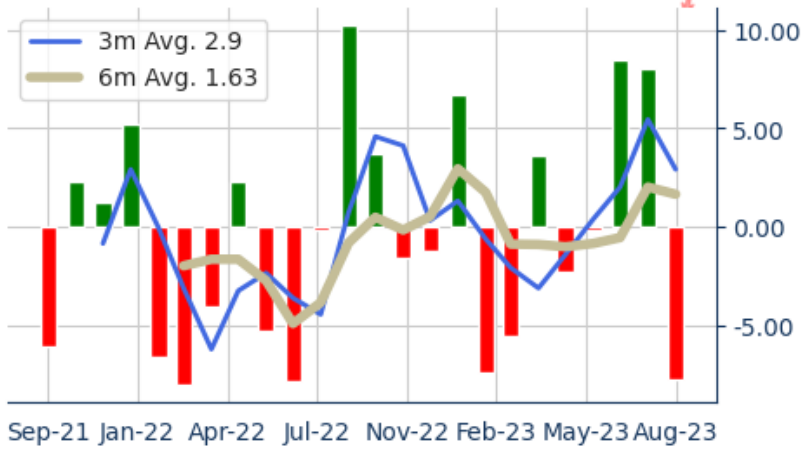


Contingent Macro Advisors 2023 source: US BEA

Confidence - Expectations



recent monthly changes

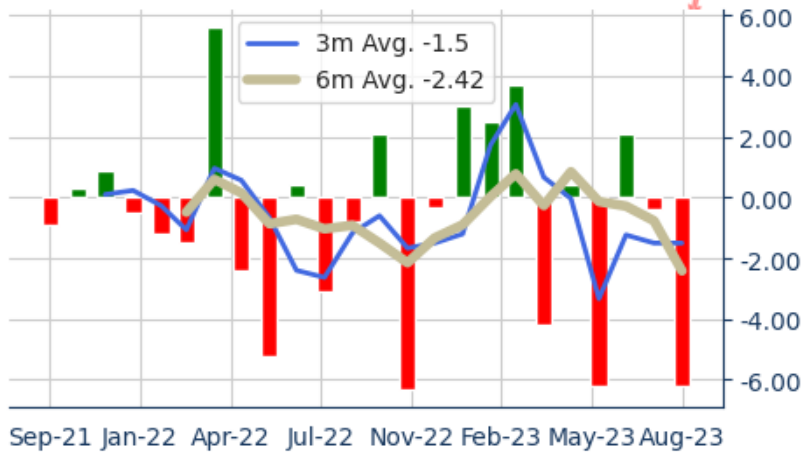


Contingent Macro Advisors 2023 source: US BEA

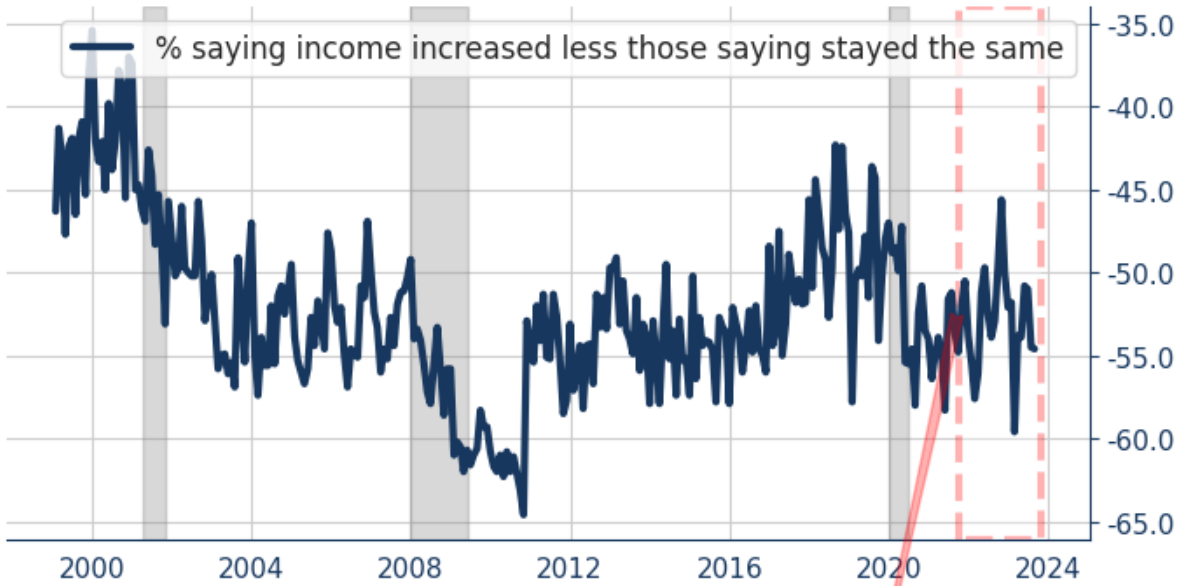
Labor Differential



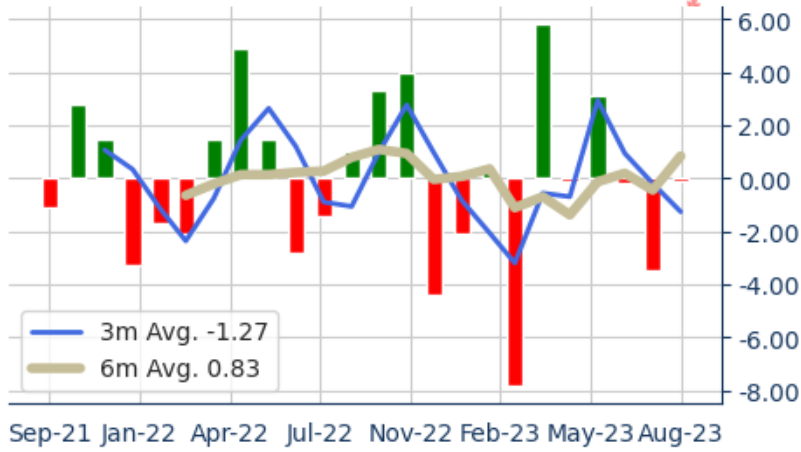
recent monthly changes



Income Differential



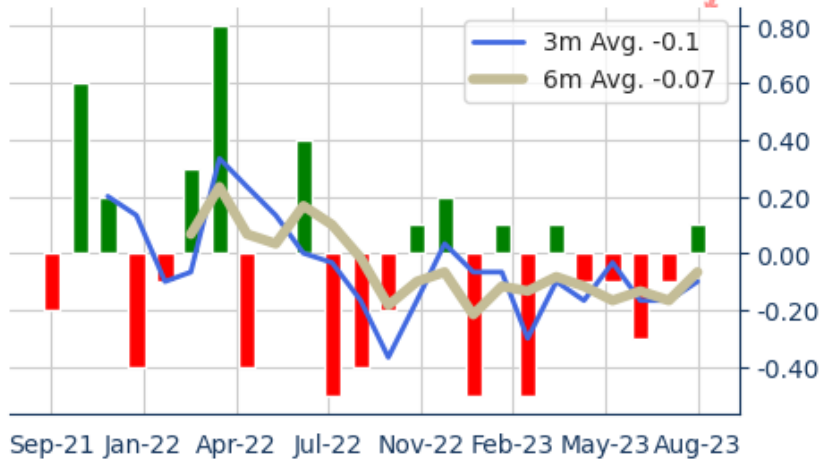
recent monthly changes



Inflation Expectation



recent monthly changes



Contingent Macro Advisors 2023 source: US BEA

Conference Board Consumer Confidence	Aug-23	Jul-23	3m. avg.	6m. avg.	12m. avg.	2022	5y
Consumer Confidence	106.10	114.00	110.10	106.70	105.80	104.49	112.40
Confidence - Current Situation	144.80	153.00	151.00	150.50	148.50	145.70	143.70
Confidence - Expectations	80.20	88.00	82.70	77.60	77.40	76.98	91.60
Jobs Plentiful	40.30	43.70	43.10	44.70	46.10	50.48	43.10
Jobs Hard to Get	14.10	11.30	12.70	12.10	12.00	11.78	14.30
Income Increased	16.50	17.80	17.60	17.60	17.50	16.83	18.50
Income Decreased	12.40	9.90	11.40	11.80	12.80	14.11	11.20
Same Income	71.10	72.30	71.00	70.60	69.70	69.06	70.30

More Jobs 6 Months	16.70	16.60	16.20	15.40	16.70	18.21	21.70
Fewer Jobs 6 Months	18.00	15.60	16.80	18.90	19.50	19.57	17.30
Employment Same	65.30	67.80	67.00	65.80	63.80	62.22	60.90
Business Better	16.20	17.20	16.00	15.30	17.00	18.62	23.30
Business Worse 6 Months	16.80	14.50	16.30	18.50	20.20	23.04	16.60
Business Same	67.00	68.30	67.70	66.20	62.80	58.34	60.10
Inflation Expectation	5.80	5.70	5.80	6.00	6.40	7.21	5.90

source: The Conference Board via Bloomberg Professional