

CONSUMER SENTIMENT:

Local Confidence Rebounds at the Start of the New Year

The January read of consumer sentiment in Lancaster County, which came at the start of the month, showed a resurgence of confidence. The sentiment score rose seven points, with household financial conditions improving and weakening pessimism about local economic conditions.

Lancaster County residents started the year bullish. Local consumer sentiment rose seven points to 90.4 in the first week of January. County households reported improved current conditions, accompanied by a resurgence of optimism. These changes were a clear reversal of the trend that ended 2020.

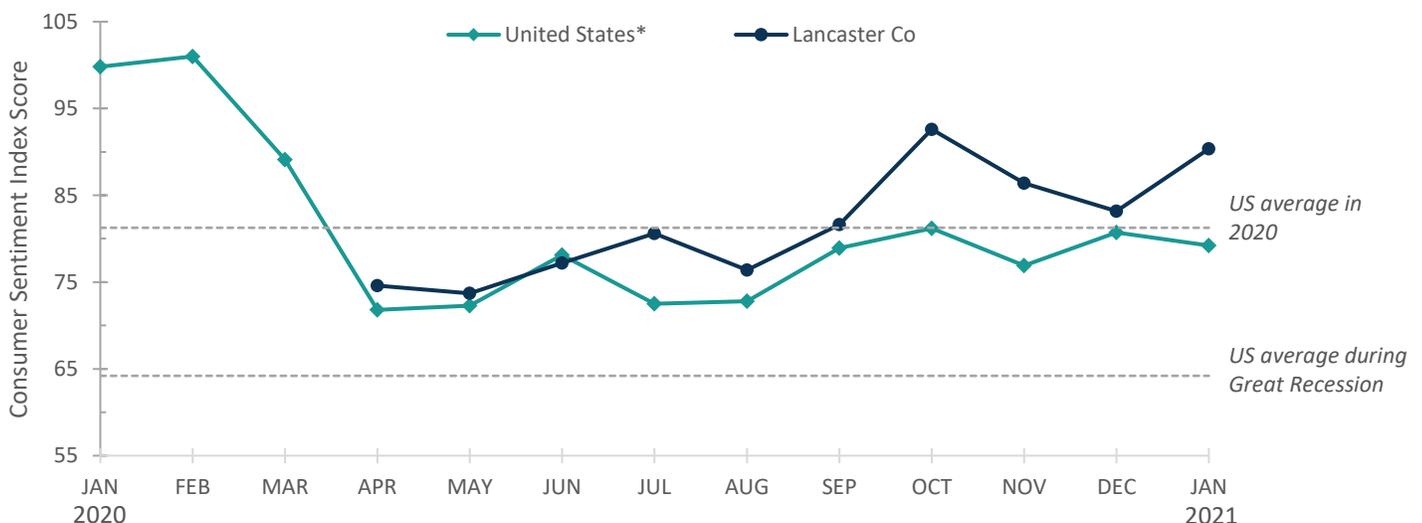
January's findings were also the second month where County attitudes moved against national results. The University of Michigan reported national consumer sentiment "posted trivial declines in early January" (moving from 74.6 in December to 73.8 this month). The score reflected US households reporting marginal declines in current conditions and future expectations. University researchers attributed national results over the past several months to partisan shifts in

expectations rather than changes in economic fundamentals.

Lancaster County sentiment appears to reflect similar influences, in addition to concern over economic fundamentals. January's gains in consumer sentiment coincided with the expiration of Governor Wolf's time-limited mitigation order, resolution of presidential election outcomes, and coronavirus vaccinations getting underway.

In January, more people upgraded their outlook, with fewer expecting worsening conditions. As a result, Lancaster residents were equally divided over where they think the local economy is headed. 21% anticipate favorable business conditions in the next 12 months, and another 21% expect unfavorable conditions.

Consumer Sentiment: National* and Lancaster County

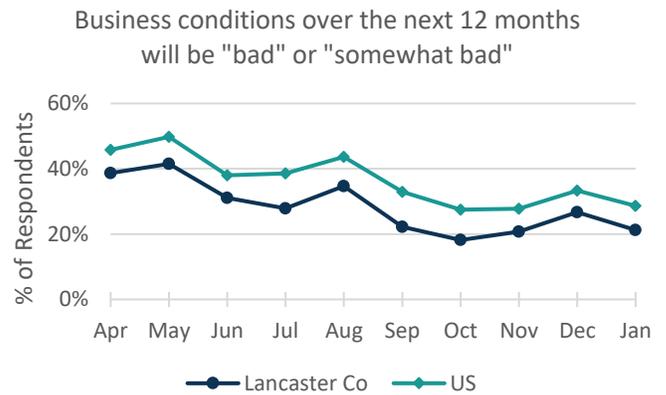
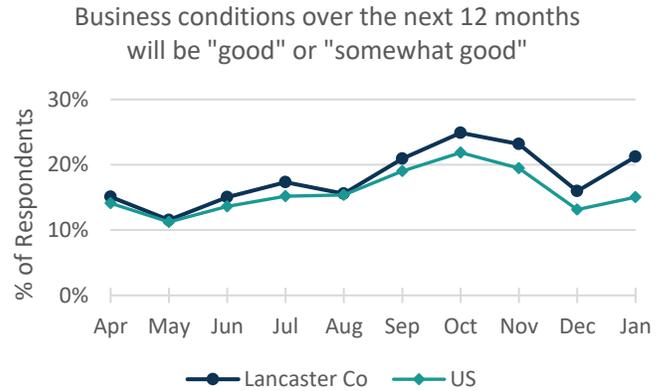


Growing confidence applied to the national economy, too. Lancasterian’s outlook ticked up in January. Fewer respondents anticipated unfavorable times.

Through 2020, County residents held on to stronger confidence in the local economy (over the national economy). Since the start of the poll, expectations about national and county business conditions have tracked together. At the same time, County residents consistently reported greater optimism for the local economy. This month showed the largest difference. 21% expect good conditions for the local economy in the coming months. In contrast, only 15% expect the same for the US economy.

The return of confidence in the local economy is a positive signal for the start of 2021 – one that hopefully builds momentum. The new year is starting with greater certainty around fiscal stimulus and other initiatives from the federal government, which will help all segments of the County recover.

Lancaster County Residents: Expectations about business conditions in the County and the US



The LNP Media Group in partnership with EDC’s Center for Regional Analysis began measuring consumer confidence in April. The poll is conducted the first week of every month and reflects only Lancaster County residents. It is modeled after a survey conducted by the University of Michigan to allow for comparison to national results. For questions, contact CRA@edclancaster.com.