

## Consumer Sentiment Falls to Its Lowest Level Since the Start of the Pandemic

Consumer sentiment tumbled in August, recording the lowest score since the start of the pandemic. In Lancaster County consumer sentiment fell nearly 15 points to 72.6 as residents reported continuing deterioration of current conditions and an abrupt reversal in outlook. The poll results coincided with a resurgence of COVID cases caused by the Delta variant and continuing concern over rising prices.

Mirroring national results, this month's Lancaster County poll on consumer sentiment recorded the strongest loss in positive attitudes since the start of the pandemic. Falling nearly 15 points in August, the measure of consumer sentiment in the County was 72.6. Both components of consumer sentiment fell to levels experienced at the start of the pandemic in the County. Current conditions, which measures how people feel about their personal household finances and making large household purchases, continued its downward slide for the fourth consecutive month. The measure of future expectations had been gaining ground, reaching a 12-month high in July, but plummeted 18 points this month. It represents one of the sharpest reversals in outlook since the local poll started and sets a record low. Most of the drop reflected significant downgrading of short-term expectations; long-term outlook darkened only slightly.

Conducted during the first week of August, the Lancaster County poll captured sharply negative attitudes arising from concern over economic fundamentals and how COVID cases due to the Delta variant will disrupt lives in the coming months. The share of County respondents reporting COVID was a "major threat"

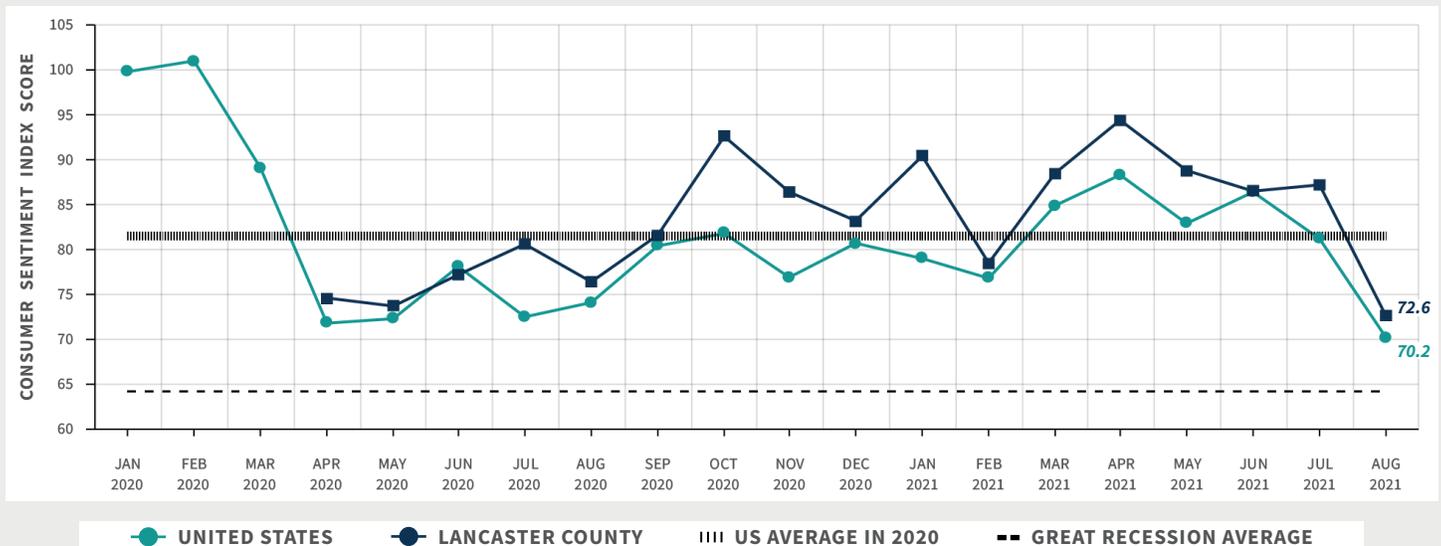
to their personal finances doubled this month, rising from last month's low of 8% to 16%, and the share of respondents saying it was "no threat" also fell this month.

County attitudes are consistent with national results. The preliminary national score dropped to 70.2 in August. Researchers at University of Michigan, responsible for the national poll, reported losses in consumer sentiment were widespread across income, age and education and observed across all regions of the US. Strong negativity reflected an emotional response to the Delta variant's rising spread coupled with weaker personal finances and increased economic headwinds.

Since April, consumer confidence has been faltering in Lancaster County. The August results suggest a weariness on the part of County households and reinforces growing apprehension over the speed at which the economy can emerge from the damage caused by ongoing pandemic conditions. Waning household attitudes about current conditions and future outlook raise concerns over the role consumer spending will play in fueling GDP growth in the second half of this year.

### CONSUMER SENTIMENT: NATIONAL\* AND LANCASTER COUNTY

\* Results from a national survey on consumer sentiment conducted by the University of Michigan. The July estimate is preliminary and subject to revision.



The LNP Media Group in partnership with EDC's Center for Regional Analysis began measuring consumer confidence in April 2020. 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](mailto:CRA@edclancaster.com).