

## Consumer Sentiment Remains Weak

Consumer sentiment in October did not improve for Lancaster County or the nation. After plummeting to a record low in August, measures of consumer sentiment have remained below last year's average. While the resurgence of COVID cases in August may have fueled darkening views, economic fundamentals stemming from rising prices and government policy have emerged as key factors placing downward pressure on the score.

Consumer sentiment remained gloomy this month according to Lancaster County and the national polls. Lancaster County's consumer sentiment score inched down one point to 78. Preliminary results from the national poll showed US consumer sentiment moving from 72.8 in September to 71.4 in October.

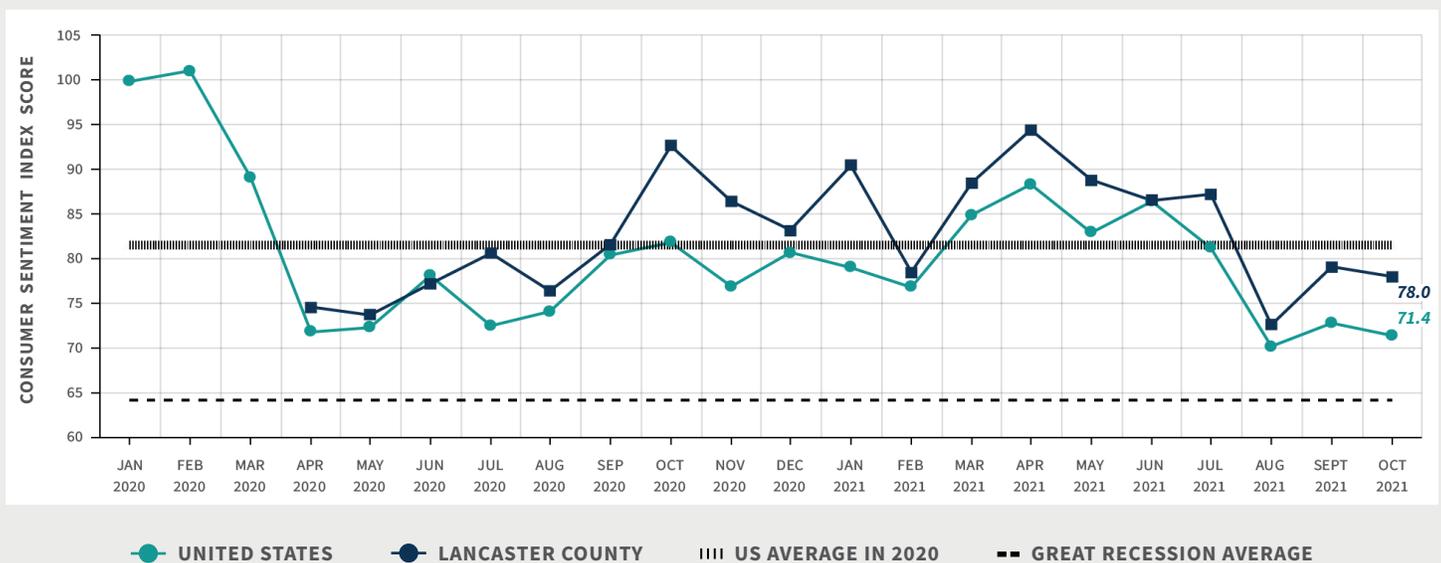
The October results reflect broad concern over household finances and business conditions. The share of Lancaster County respondents that reported being the same or better off compared to a year slipped to 78% (down from 82% last month), and a growing share (29%) anticipate household finances to worsen. Views on local business conditions in both the short and medium terms fell slightly as the share expecting worsening conditions increased. Lancastrians listed a variety of

reasons beyond COVID for dimming attitudes. Among the most frequently cited were a lack of confidence in government policy (at state and federal levels) and persistent inflation. Uneasiness over economic conditions spilled over into views on the timing for making major household purchases. 63% of Lancaster County respondents said now is a bad time, with widespread shortages of consumer goods and rising prices as reasons.

Despite three months of pessimistic sentiment, consumer spending has been steadfast. Retail sales over the last few months have been up over last year despite rising prices. As the economy heads into the holiday season, the potential for consumer spending to slow down - at a time when sales are make or break for many already hard-hit retailers - remains a key question.

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

\* Results from a national survey on consumer sentiment conducted by the University of Michigan. The October 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).