

November Consumer Sentiment

Consumer sentiment took another dramatic dive this month. The November score reached the lowest level since the start of the Lancaster poll, dropping a substantial 11.8 points to 66.2. The score reflected the impact that increased inflation has had on personal economic conditions and a deteriorating view on when the local economy will bounce back.

Consumer sentiment fell to a new low in Lancaster County this month. November's score was 66.2, falling 11.8 points from last month. The County was not alone in its waning confidence. The US measure of consumer sentiment showed a similar movement. The national score fell 5 points to 66.8 this month.

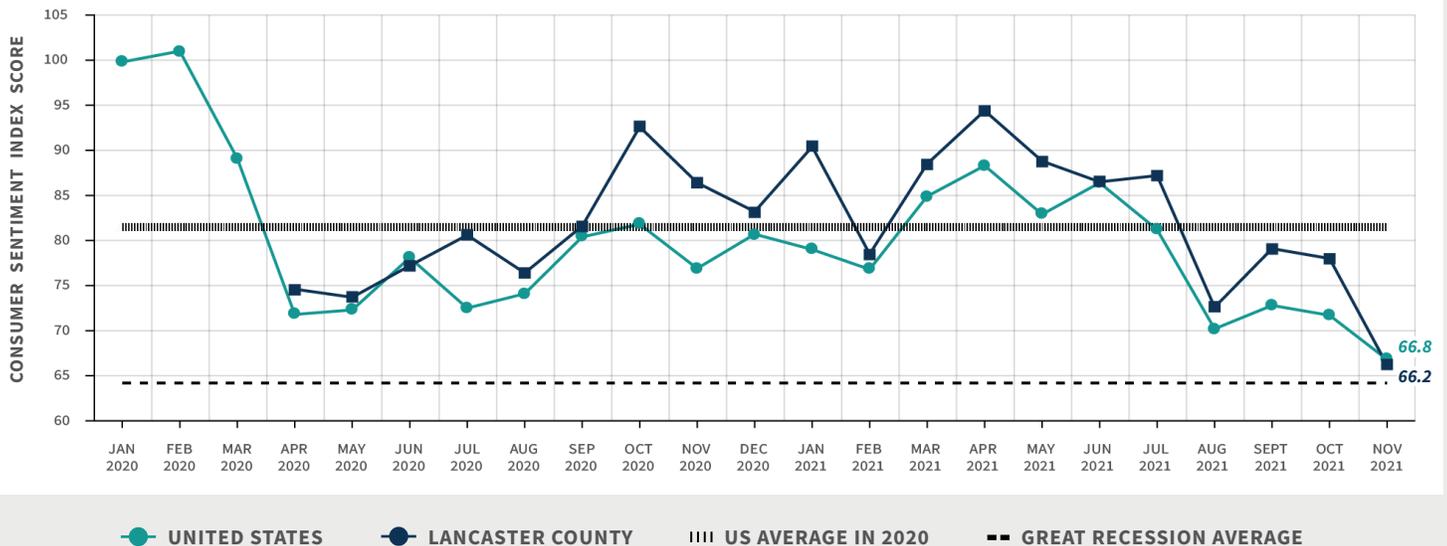
This is the fourth month of weak consumer sentiment for the County. The measure has two components: one that focuses on current conditions and the other on future expectations. Historically, Lancastrians have had an optimistic outlook, particularly with respect to the local economy's ability to recover from economic hardships. While the viewpoint in Lancaster County continues to reflect greater confidence in local conditions, those anticipating rocky economic times spiked, reaching 20% this month. This pessimistic outlook is at the highest level since April of 2020, when the local consumer sentiment poll began.

Through the fall months, County residents have looked to more traditional economic factors for signals on what lies ahead. The view of COVID as a threat to personal finances weakened and worries over inflation increased. This shift coincided with US inflation sharply rising in October to 6.2%, which set a 30-year high. Lancastrians also pointed to broader economic policy and conditions, including federal spending and the aging local infrastructure as additional factors driving less optimistic sentiment.

A key question for local businesses is when the heavily foreboding consumer outlook will dampen consumer spending. To date, consumer spending has held up despite sentiment and inflation. If the apprehensiveness continues, it is likely that a more conservative spending trend could emerge at the beginning of the new year.

CONSUMER SENTIMENT: NATIONAL* & LANCASTER COUNTY

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