

Consumer Sentiment Shows Little Improvement in December

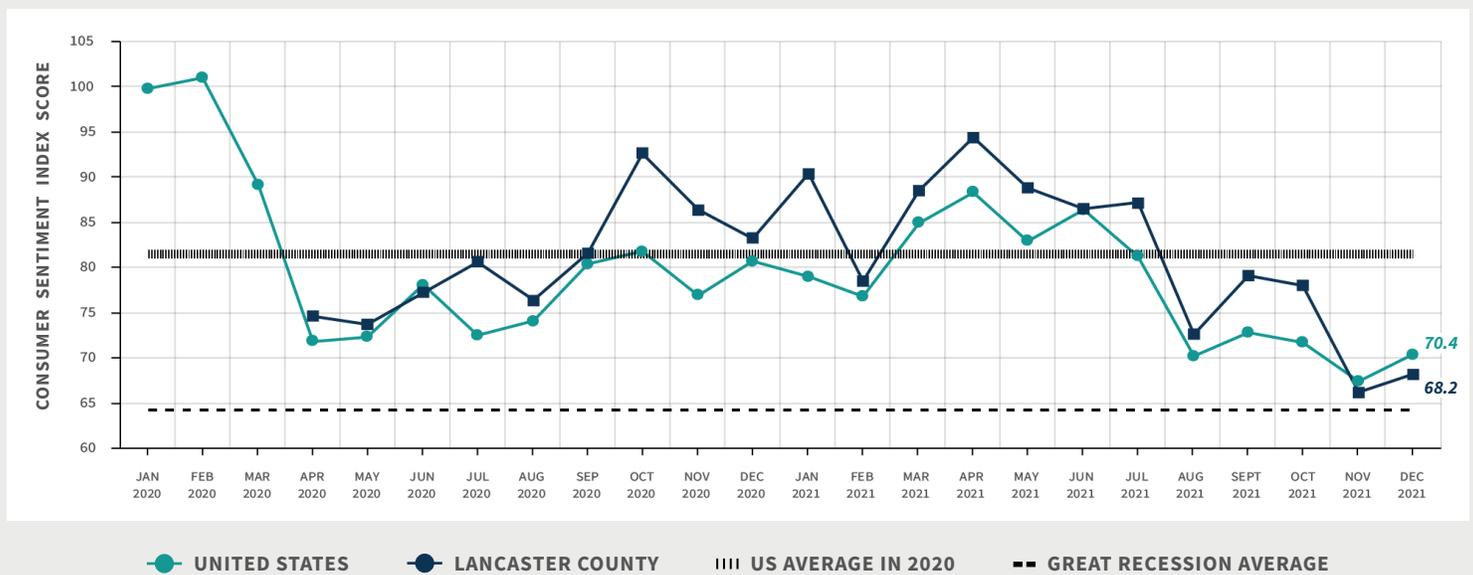
Consumer sentiment in Lancaster County showed little change in December, as households continue to worry about economic conditions. The consumer sentiment score rose only two points from 66.2 to 68.2. The local poll results reflected the nation's trend where consumer sentiment still hovers below scores observed in 2020.

Largely fueled by concern over increased inflation, consumer sentiment in Lancaster County plummeted to 66.2 last month. It set a record low for the local consumer sentiment poll which began in April of last year. This month's minor gains were the result of slight shifts in current conditions and outlook. While inflation has not let up, the poll revealed that the current financial conditions of County households were not continuing to deteriorate. The share of respondents reporting being better off compared to a year ago rose slightly. At the same time, the outlook on the economy showed some improvement. This gain was most noticeable with respect to medium term expectations, where 39% of respondents anticipate a healthier local economy emerging (compared to 32% last month).

This year has demonstrated that economic challenges, on several fronts including supply chain, inflation and labor shortage, do not have quick fixes. It has also shown that the resurgence of COVID cases and hospitalizations can derail consumer optimism. Despite four months of households signaling their worry over current and future conditions, consumer spending has held up. With the holiday season wrapping up and the spread of COVID and its variants on the rise again, January's poll will set the stage for whether consumer demand remains robust in 2022.

CONSUMER SENTIMENT: NATIONAL* & LANCASTER COUNTY

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