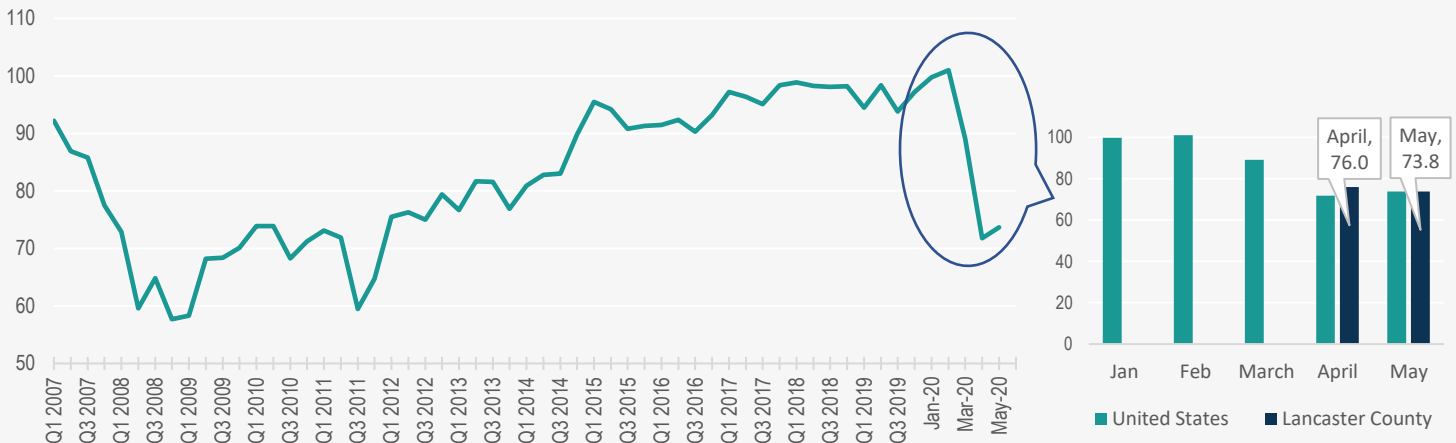




# CONSUMER SENTIMENT: The May Read on the Economic Outlook of Lancaster County Residents

Consumer Sentiment Index: US and Lancaster County



Despite evidence of a weakening economy, consumer sentiment in Lancaster County slipped only three points in May to 73.8. While this score matches the national read on consumer sentiment, a key difference emerged. Lancaster County residents have greater expectations of a local economic recovery.

Modeled on a monthly national survey conducted by the University of Michigan, the Center for Regional Analysis in partnership with the LNP Media Group polled Lancaster County residents about their current economic conditions and expectations of Lancaster’s economy over the near and medium terms.

The results are compiled into a consumer sentiment index score. This score serves as an important “real-time” barometer of consumer confidence, which is believed to influence decisions on consumer spending (a key component of the economy).

The poll ran the first week of May. Around this time, the country saw a second infusion of aid for small

businesses and hospitals and several states starting to reopen. In PA, Governor Wolf announced 24 counties would move to a yellow phase on May 8<sup>th</sup>, taking the first steps toward reopening. At the same time, reports of weakening economic conditions were released. Advanced estimates of first quarter GDP showed the U.S. economy contracted by 4.8%, and unemployment remained at historical highs.

The May score suggests consumer sentiment has stabilized. Nationally, consumer sentiment began falling in March, with April’s decline the largest recorded, monthly drop in the survey’s history. While the index score for the US and Lancaster were nearly the same in May, the basis for the scores differed. The national score inched up two points, reflecting improved household conditions but falling expectations for improved business conditions in the coming years. Lancaster County’s results ran counter to this. The Lancaster-based poll acknowledged weakening current conditions but signaled optimism for Lancaster’s economic future.

*The Center for Regional Analysis and the LNP Media Group will continue conducting this consumer sentiment poll every month. For questions, contact [CRA@edclancaster.com](mailto:CRA@edclancaster.com).*