

# CONSUMER SENTIMENT:

## Growing Confidence in the Local Economy

As efforts to control COVID-19 wear on, consumer opinions about the US and local economies are beginning to diverge. The national poll conducted by the University of Michigan showed consumer sentiment fell to 73.2 in July amidst rising coronavirus cases and some states clawing back their reopening. In contrast, the Lancaster-based measure showed consumer sentiment rose to 80.6. The overall outlook of County residents remains positive. Measures of current conditions and future expectations of the local economy have generally improved since April, while attitudes towards a national economic recovery are wavering.

The LNP Media Group in partnership with EDC’s Center for Regional Analysis began measuring consumer confidence at the start of the pandemic. The July poll is the fourth, monthly reading of consumer attitudes in Lancaster County.

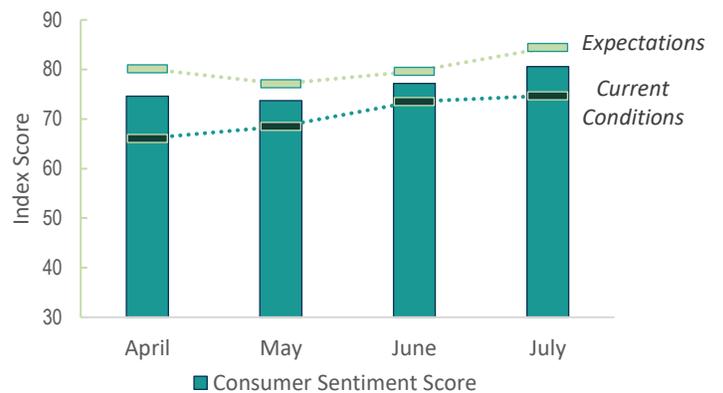
The measure of attitudes, called the consumer sentiment index, has two components. The index of current conditions captures information about a household’s current financial conditions. The index of consumer expectation measures expectations for business conditions over the medium term.

**Lancaster County residents are confident of a local economic recovery.** Monthly polls of Lancaster County residents show both components of consumer sentiment have generally improved over time.

*This month, 81% of respondents reported their household finances were about the same or better than this time last year.* This figure was up from April and May when unemployment claims hit record highs, and one-in-four respondents reported being worse off compared to a year ago. Attitudes towards major purchases were also up among County respondents. 58% reported now was a good time to buy major household items. Last month only 37% felt it was a good time to buy.

Consistent with stronger current conditions, almost three-quarters of County respondents reported the coronavirus outbreak was not a threat or only a minor threat to their personal financial situation. This view

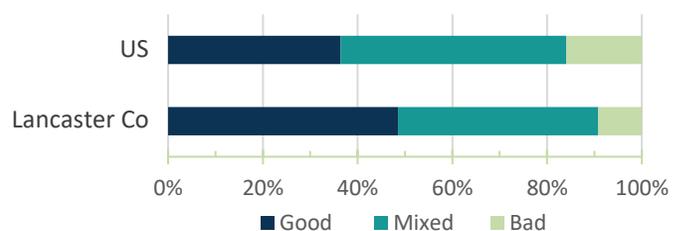
Consumer Sentiment about Lancaster County’s Economy



was strongest among the older generations (eg, Baby Boomers) and weakest among younger generations (eg, Millennials).

**Expectations of a national recovery are lagging.** While County residents have improving views about the local economy, their outlook on the broader US economy is falling. Almost half of County respondents expect good, local business conditions in the coming years. Only 36% expect the same for the national economy.

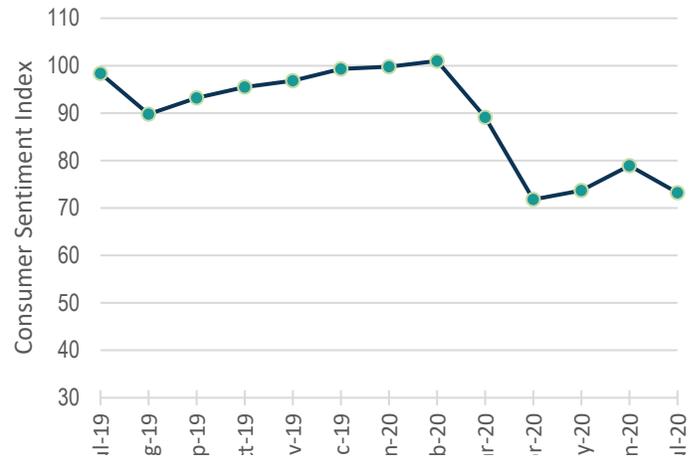
Lancasterian Expectations of the Economy over the Next 5 yrs





This weak national outlook impacts the consumer sentiment scores from our poll. Based on local economic expectations, the sentiment score is 80.6. It falls to 73 when based on views of the national economy. The lower score aligns with the July estimate of national consumer sentiment released by the University of Michigan. Its July read was also 73.

National Consumer Sentiment\*



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

The Lancaster-based poll 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).