

CONSUMER SENTIMENT:

Local Confidence Fell for a Second Month against National Trend

Amidst political change and rising COVID counts, December's poll showed softening consumer sentiment for the second month in a row in Lancaster County. Weakened financial conditions for County residents, along with lower expectations for an economic recovery in the coming year, contributed to the results.

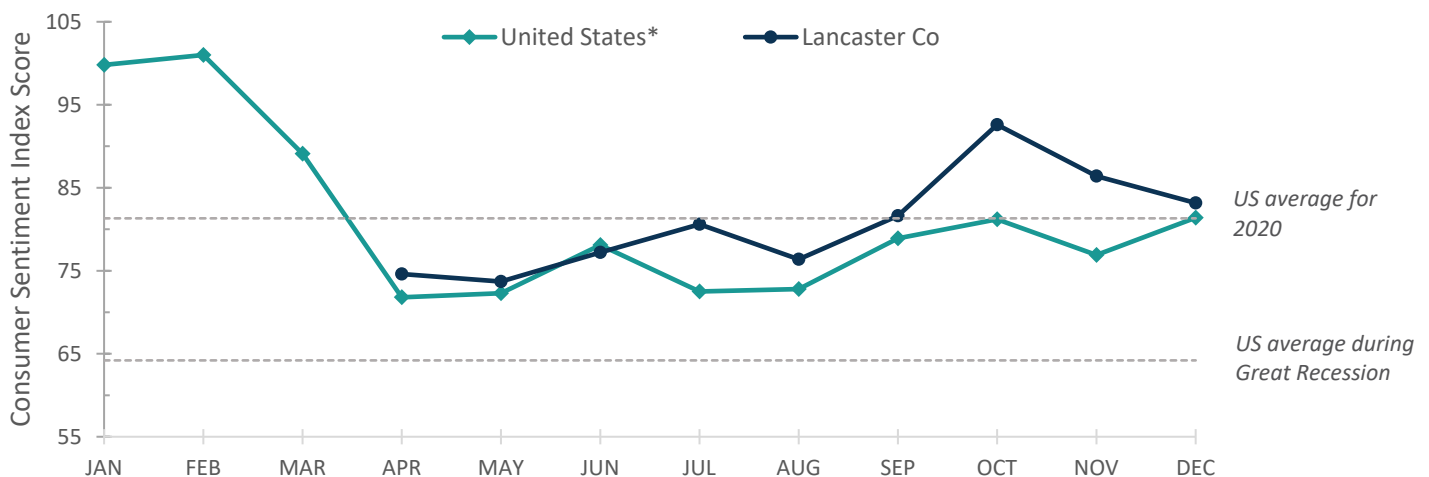
Local consumer sentiment fell three points, to 83.2, in early December. The survey period, which occurs the first week of every month, followed the November presidential election and rising COVID-19 cases and hospitalizations, but was just days ahead of the Governor's time-limited mitigation order.

Since April, when the local poll began, consumer sentiment in Lancaster County has generally tracked higher than national levels, while following the same rise and fall pattern. This month, however, revealed local views on short- and long-term conditions departing from the national measures. US consumer sentiment, reported by the University of Michigan, gained momentum, rising four points to 81.4.

Last month, softening County opinion on the general economy rather than changes in household finances impacted consumer sentiment. This month, outlook on local economic conditions *and* household finances further eroded consumer outlook. The gap closed between those expecting (a year from now) their personal household finances to be better off (18%) and those anticipating being worse off (17%).

County residents also shared a less hopeful view on the local and national economies. Only 16% were optimistic when looking at the local economy over the next 12 months (down from 23% last month), and they were outnumbered by those with pessimistic expectations (27% in December). Lancastrian's outlook

Consumer Sentiment 2020: National* and Lancaster County



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



on the broader US economy was also less favorable. Only 13% expect good conditions in the near term.

National results showed a different outlook. For the US, near term expectations remained unchanged from last month and longer-term expectations strengthened.

Given the importance of consumer spending in fueling the economic recovery, close monitoring of this local and national measure is warranted to help gauge if downgrading consumer sentiment begins to impact Lancaster's economy.

The LNP Media Group in partnership with EDC's Center for Regional Analysis began measuring consumer confidence in April. 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.