



CONSUMER SENTIMENT: Attitudes about the Economy Slump in February

The February read of consumer sentiment in Lancaster County mirrored the nation, with residents downgrading attitudes and expectations. This striking reversal comes despite another round of stimulus payments and a falling number of new unemployment claims. The results send mixed signals about the role consumer spending will play in aiding the economy and highlight that the path to economic recovery remains bumpy.

Consistent and strong consumer confidence in the local economy is the goalpost. It signals the likelihood of strong consumer spending, which is a key component of economic growth.

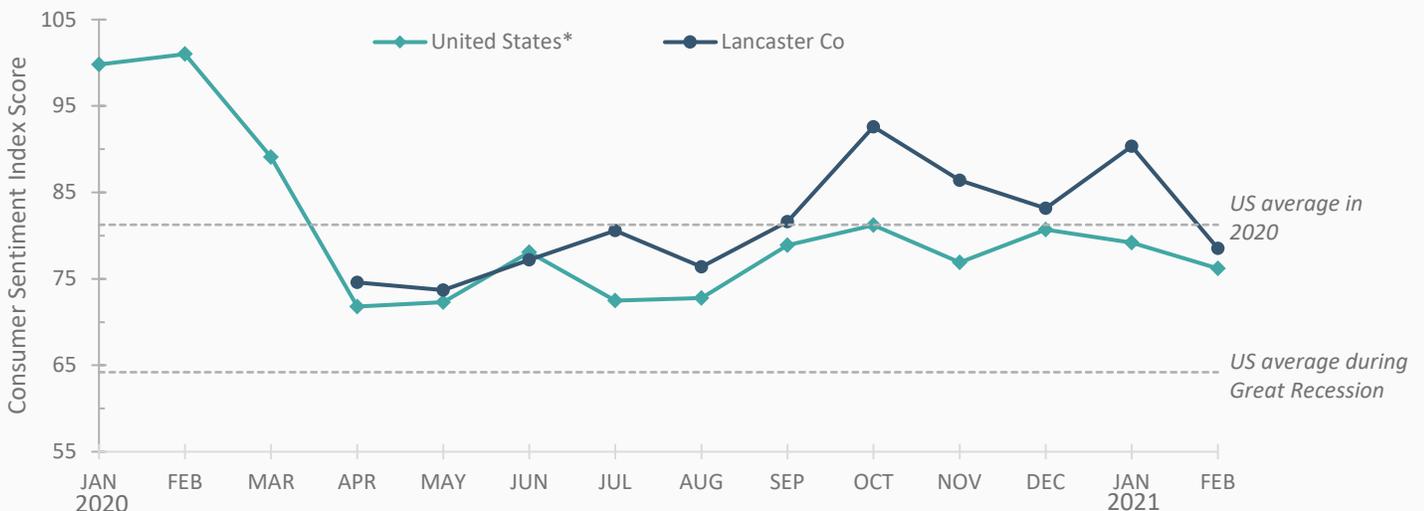
However this month, Lancaster County residents walked back the bullish optimism they recorded last month. Local consumer sentiment fell almost 12 points to 78.5 in the first week of February. It was the sharpest decline since the local poll began last April and came as a surprise given prospects of further stimulus payments and fewer new unemployment claims.

County households reported weaker current conditions, accompanied by dim expectations. Their

views echoed the nation. Preliminary results reported by the University of Michigan showed national consumer sentiment lost three points, falling to 76.2.

Last month, County residents were equally divided over where the local economy was headed. The divide widened this month. 31% anticipate unfavorable times over the next 12 months, while only 18% are optimistic. Concerns over the national economy showed similar changes. The outlook darkened with 46% of County respondents expecting unfavorable business conditions in the US economy in the coming year.

Consumer Sentiment: National* and Lancaster County



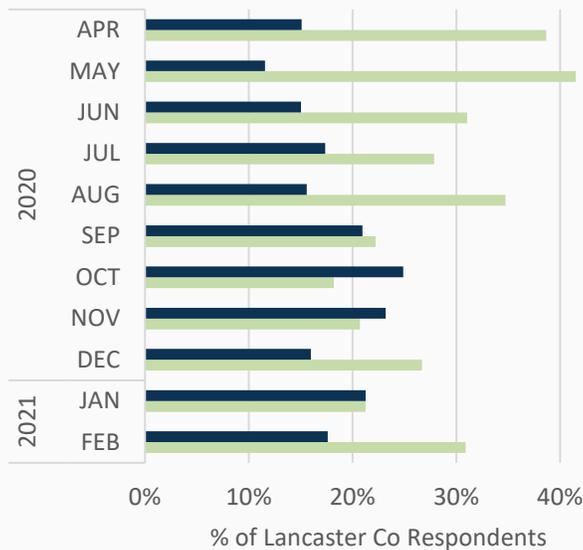
* Results from a national survey on consumer sentiment conducted by the University of Michigan.



Lancaster County Residents: Expectations about Business Conditions over the Next 12 Months*

Favorable Unfavorable

EXPECTATIONS FOR LANCASTER CO



EXPECTATIONS FOR THE US



February’s results send a precautionary signal that a steady pace to the County’s economic recovery could be tenuous. The poll occurred in a period of transition with the Biden Administration in its first 100 days and community vaccination efforts being rolled out. It is too early to tell if January’s optimism was a temporary rally in a generally weakening consumer sentiment or if February’s results were just a stumble in a generally improving outlook. Regardless, the strong shifts call for a close watch of how month-to-month changes in consumer sentiment impact consumer spending and the County’s economic trajectory

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

*Reports favorable versus unfavorable outlook, excluding respondents with mixed views.