



# CONSUMER SENTIMENT:

## Attitudes about the Economy Rebound in March

*In March, consumer sentiment across the United States strongly rebounded. It revealed positivity in attitudes and outlook that was shared across all socio-economic groups and regions. The monthly poll of Lancaster County residents showed similar results. The wave of optimism coincides with the rollout of the COVID-19 vaccine gaining ground. It highlights the significant role that perceptions of safety and pandemic conditions play in how households assess current and future economic conditions.*

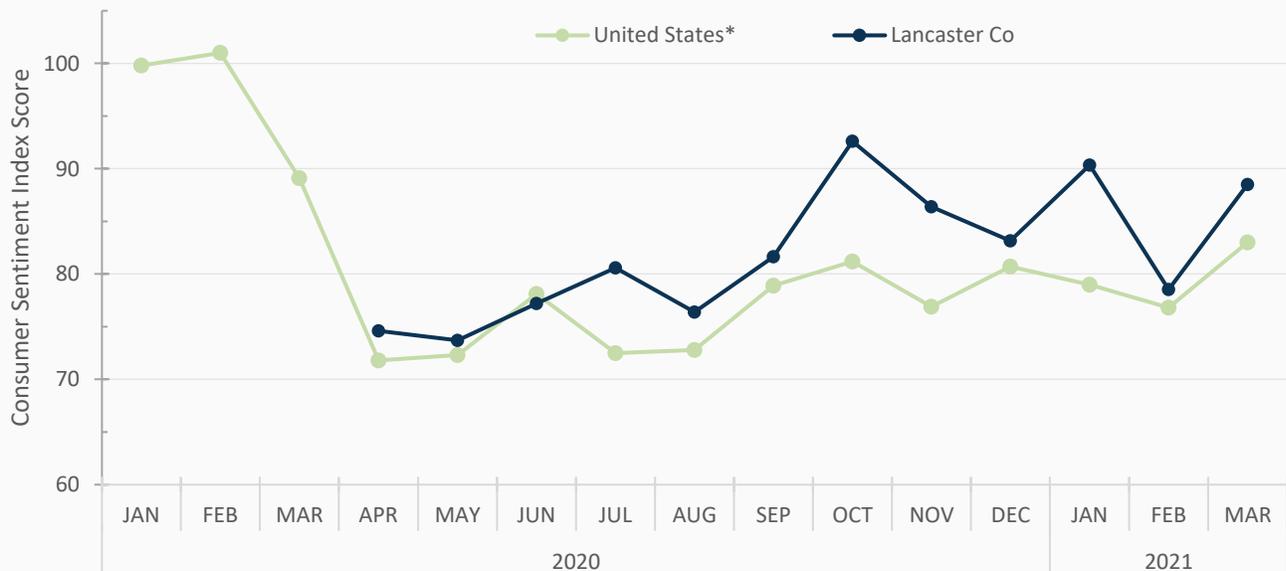
For Lancaster County, consumer sentiment shows the emotional impact of evolving pandemic conditions on how households assess current and future economic conditions. In the first three months of this year, it has moved up and down strongly.

The March poll of Lancaster County residents took place during the first week, just days in advance of Lancaster County’s community vaccination center opening. Consumer sentiment rose ten points to 88.5, clearly signaling a return to optimism, reinforced by improving current household conditions.

The national read on consumer sentiment, reported by the University of Michigan, reflected the same all-around improvements. The results showed current household conditions strengthened, and future expectations for personal finances and broader business conditions improved. With a score of 83, the US measure had its highest level of positivity since April of last year. Researchers noted that this month’s favorable attitudes were widespread, being shared across all socio-economic groups and regions of the US.

The broadly held optimism in March – both locally and nationally – is a good sign. The data, however,

Consumer Sentiment: National\* and Lancaster County



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



continues to suggest that consumer sentiment is being driven both by current and future financial prospects, and by emotions and beliefs around when the community will turn the corner in this pandemic.

The large swings of the past months underscore that economic recovery is variable and subject to change. The month-to-month sensitivity of consumer attitudes (to actual and prospective outcomes of controlling the pandemic) is a precautionary signal. Consumer sentiment is viewed as a forward looking indicator to consumer spending (a key driver of economic activity). For Lancaster County, early indications are that spending has been tracking with consumer sentiment. It is anticipated that consumer spending in March will therefore rise.

A steady and broad economic recovery will need to see this metric find a more measured path. Consistent and strong consumer confidence in the local economy is the goalpost. The next few months will be an important signal on whether households see the end of the pandemic on the horizon.

*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](mailto:CRA@edclancaster.com)*