

Mixed Signals on Consumer Sentiment

Lancaster County residents downgraded consumer sentiment for the second month in a row. The June score fell three points to 86.5. The change reflected a growing share of County households with weaker household finances and less favorable attitudes about making major household purchases. This month's movement runs counter to the nation, where the preliminary national score rose four points to 86.4. Nationally, the measure of current conditions inched up and expectations rose strongly.

Lancaster County residents continue to share concern over near-term economic conditions. For the second month in a row, they downgraded sentiment. The June score was 86.5, which was three points lower than last month.

The measure of consumer sentiment reflects attitudes and expectations about current and future conditions for household finances and the economy. This month, responses signaled a shift in current and anticipated household finances for County residents. A larger share of County residents reported being worse off as compared to a year ago (14% this month compared to 9% last month). Accompanying this shift were stronger expectations of being worse off in a year from now. This month, the number of respondents anticipating being worse off outnumbered those with positive expectations (22% versus 20%, respectively). Consistent with these stronger concerns, County respondents doubled down on saying now is not a good time to buy major household items such as furniture and appliances.

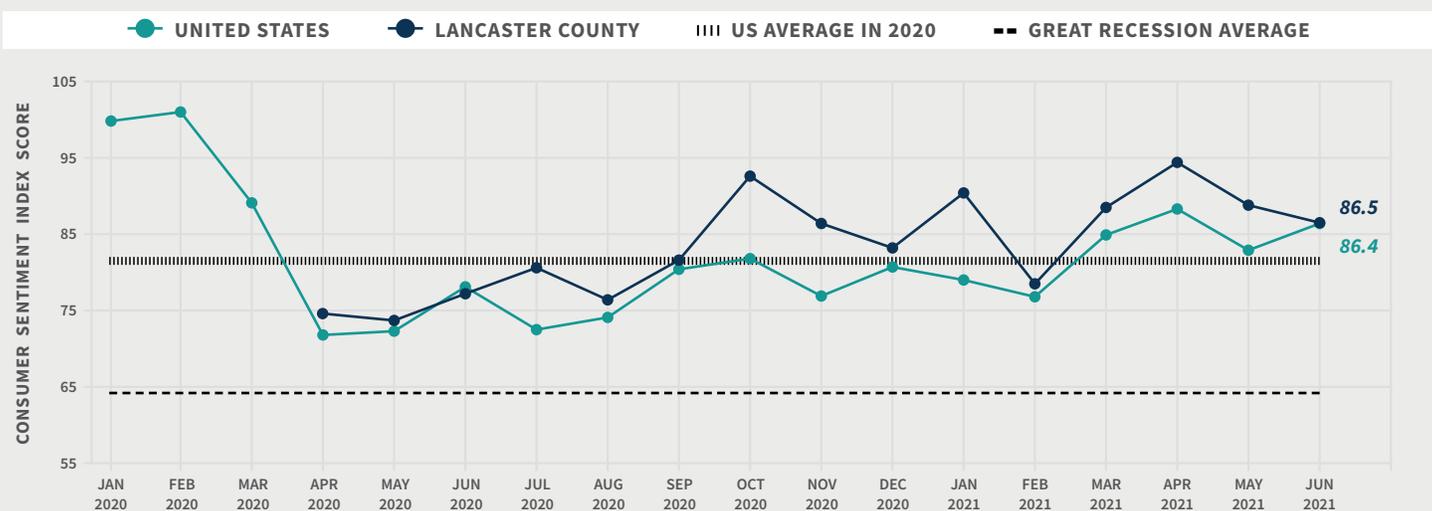
Despite the changing attitudes about household finances, Lancaster County residents remained resolute in their view of the local economy. 40% expect good local business conditions over the next 12 months. This positive outlook initially jumped up in March, when the COVID-19 vaccine rollout gained momentum, and has held since then.

Local June results run counter to the nation. The preliminary read on national consumer sentiment (produced by the University of Michigan) shows more favorable attitudes. The national score increased by four points to 86.4. Researchers attributed the improvement to changes in future economic prospects rather than current conditions, mainly among middle- and upper-income households.

The US economy has rapidly expanded over the last two quarters, largely fueled by household spending. Two months of softening consumer sentiment with growing concern over rising prices could put a damper on the rapid pace of economic growth experienced in the first quarter of 2021.

CONSUMER SENTIMENT: NATIONAL* AND LANCASTER COUNTY

* Results from a national survey on consumer sentiment conducted by the University of Michigan. The June estimate is preliminary and subject to revision.



The LNP Media Group in partnership with EDC's Center for Regional Analysis began measuring consumer confidence in April 2020. 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.