

Lancaster Consumer Sentiment Remains Steady

Lancaster County consumer sentiment remained essentially unchanged in July, moving from 86.5 in June to 87.2. This month's score masks that Lancastrians are reporting a stronger divide between current conditions and future expectations. Mirroring the nation, current conditions continued to slide in July. At the same time, expectations for future conditions rose locally. This growing optimism ran counter to the nation where preliminary July results revealed a downgraded outlook.

The July read of Lancaster's consumer sentiment showed the downward slide in attitudes stalling. After two months of weakening consumer sentiment, the index score for Lancaster County registered a slight uptick. The score rose up from 86.5 in June to 87.2 this month. This change ran counter to national consumer sentiment. The preliminary estimate, released by the University of Michigan, showed a strong decline in July. It fell nearly six points from 86.4 in June to 80.8 in July.

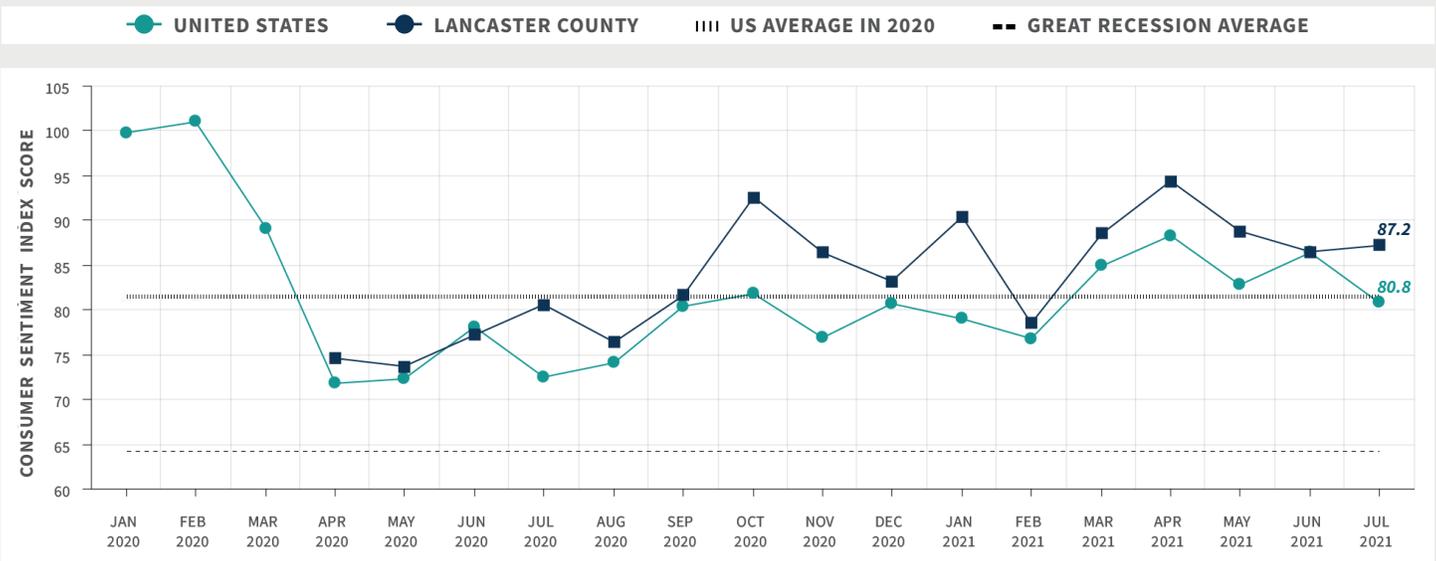
Rising prices and inflation remained at the forefront of concerns shared by households, nationally and locally. Reflecting this worry, the July poll showed eroding current conditions for households. The index score on current conditions fell by over 6 points from June to July in both the national and local polls. Locally, negative attitudes toward making large purchases influenced the current conditions score as respondents cited limited stock in large home goods and price jumps as key factors.

In contrast to the movement in current conditions, the outlook on future conditions was mixed in July. Nationally, the outlook darkened. For the County, future expectations, a key component of the consumer sentiment score, reached its highest level since April of last year. Lancaster County residents remained bullish on future expectations for the economy and their household finances improving. This optimism coincided with the lowest reported level of concern over the threat COVID-19 posed for personal finances.

To date, the transition out of a pandemic economy has been largely fueled by consumer spending. But the transition has been bumpy, and consumer concerns over rising prices and income disparities are gaining traction. A key question is whether these concerns take on greater significance and act as a brake on the pace of the economy's recovery in the second half of this year.

CONSUMER SENTIMENT: NATIONAL* AND LANCASTER COUNTY

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