

Consumer Sentiment Signals On-Going Unease

Consumer sentiment in September showed ongoing unease. Last month, consumer sentiment tumbled to a record low since the start of the pandemic. This month, consumer sentiment recovered some of its loss but remained in the range of early-pandemic levels. In Lancaster County, the consumer sentiment score was 79.1, up only six points from August. The national score hardly changed.

Last month, the Lancaster County poll recorded the strongest drop and lowest score in consumer sentiment since the start of the pandemic last April. The decline was largely attributed to the rise in COVID cases coupled with worry over economic conditions – namely inflation. Many analysts anticipated consumer sentiment would recover in September. This month’s poll results show consumer sentiment in Lancaster County made a weak recovery. The consumer sentiment score for Lancaster County gained six points in September, moving from 72.6 to 79.1. Nationally, the consumer sentiment hardly changed, rising less than one point to 71.

The consumer sentiment score has two components. It blends a measure of current conditions for households and a measure of future expectations for household finances and the economy. Over the past year, movements in consumer sentiment tended to reflect change in one component or the other. This month’s improvement did not have that pattern. The slight uptick in

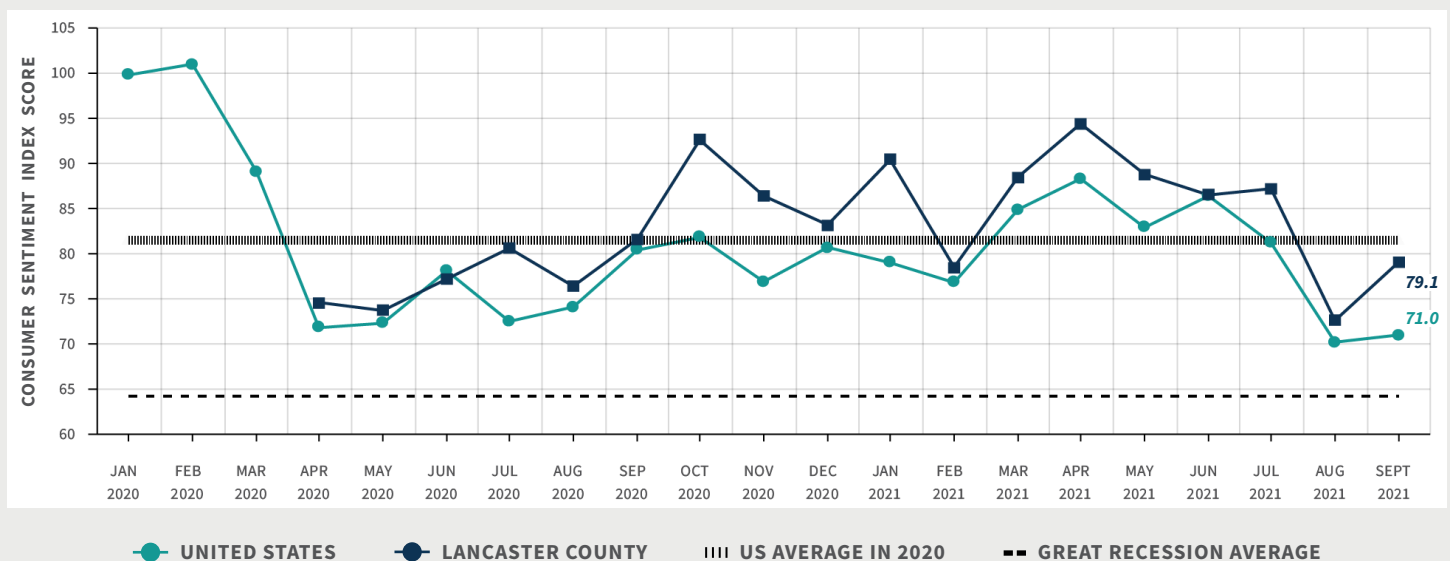
attitudes among Lancaster County residents was the result of very small changes across all components of the consumer sentiment measure.

While the change in attitudes was very modest, comments by poll respondents signaled a notable shift in their source of concern. The focal point moved away from attention to the spread of COVID to economic fundamentals. Like national results, households focused on the threats inflation and labor market conditions pose to their household’s well being and the broader economy.

Consumer spending is an essential driver of the economy. Persistent apprehension of current and future household finances and the view that it is not a good time to make major purchases suggest that households will take a more precautionary position on spending. October’s poll will serve as a signal regarding holiday spending, a critical time of year for many consumer businesses.

CONSUMER SENTIMENT: NATIONAL* AND LANCASTER COUNTY

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