

## Economic Uncertainty, Inflation Underscore Drop in Local and National Consumer Sentiment

Consumer sentiment in Lancaster County continued its downward trend this month. The score dropped 5 points, coming in at 61.3. This month's movement was on par with the nation which sunk 6 points to 59.1.

The drop this month reflected darkening views in both components of the consumer sentiment score. Locally and nationally, households revealed worsening current conditions along with greater apprehension for what the future holds. While the share of people expecting "bad" or "somewhat bad" times did not rise, this month's polls saw a large share of downgraded expectations from optimism to uncertainty about where the economy is headed. Weakened current conditions observed this month correlated directly to a steep decline in household financial conditions compared to a year ago. In Lancaster County, only 9% of respondents reported being in a better place financially than they were a year ago. 42% indicated they are worse off, marking the lowest percentage since the Lancaster County measure of consumer sentiment began.

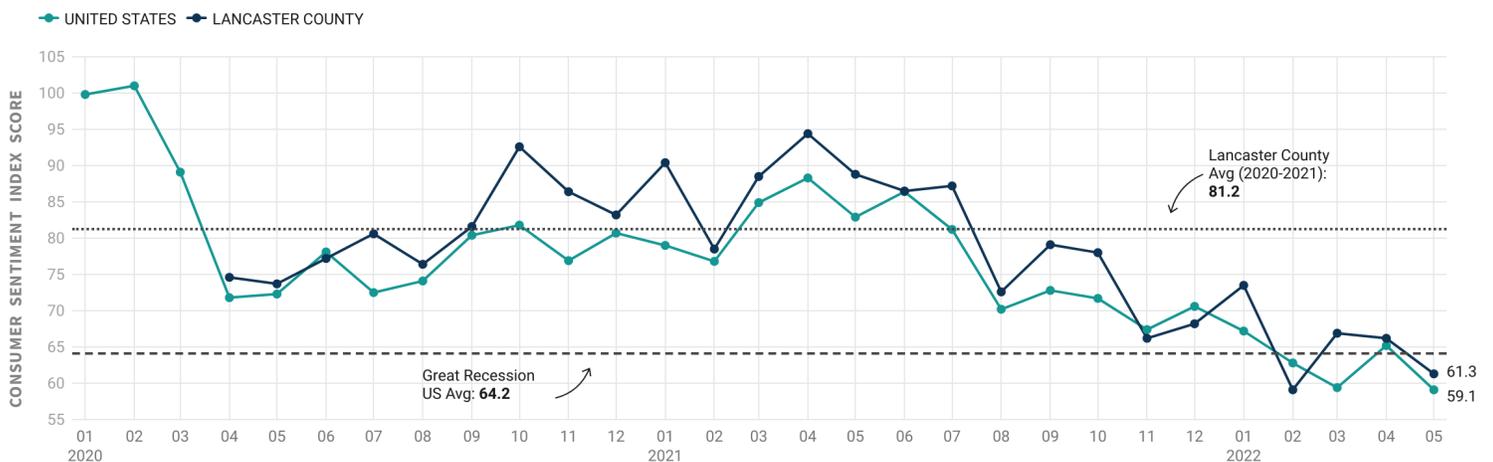
Inflation continues to erode household finances. While the headline number is 7.4%, the Lancaster County poll captured

the attention households are placing on certain items, most notably gas prices. The Bureau of Labor Statistics reported a 43.6% rise in gas prices over the past year. Economic policy along with an anticipation of continued inflation remain prominent drivers of consumer pessimism.

Consumer sentiment continues to raise a cautionary flag. For several months, Lancaster County households have reported weakening current financial conditions but have maintained spending despite inflation. The disconnect between consumer sentiment and consumer demand underscores an uneasiness over how long households can maintain current spending levels. Although hospitality and tourism experts predict strong consumer demand through the summer months, it is not apparent how households will balance it with other expenditure categories or how demand will hold up in the fall.

### CONSUMER SENTIMENT: \*NATIONAL & LANCASTER COUNTY

\*Results from a national survey on consumer sentiment conducted by the University of Michigan are 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](mailto:CRA@edclancaster.com).