

Lancaster County Consumer Sentiment Dips, National Sentiment Plummets

Lancaster’s consumer sentiment slid a point in June, settling at 59.9. The shift was negligible but striking compared to the nation. The national score plummeted eight points to 50.2, hitting a new low that surpassed a record set during the 1980 recession.

Consumers have been feeling the effects of inflation. Locally, this translated to consumer pessimism rising over the last six months. This month, 71% of Lancaster County respondents viewed now as a bad time to make significant household purchases. Just one in ten respondents indicated that they were better off than a year ago. Accompanying this trend, the local poll found expectations for a year out has been growing dimmer. June’s darkened outlook was starker among older poll respondents.

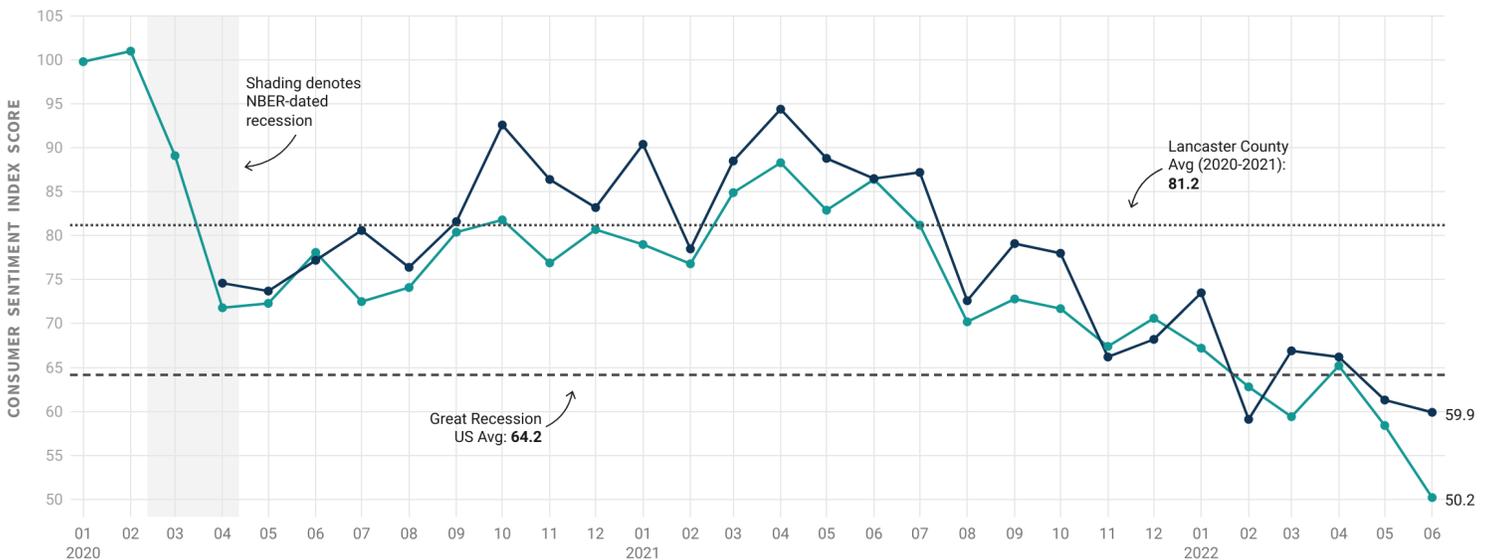
While Lancaster County is not alone in its worry over personal finances and the economy, this month showed nationally consumer sentiment weakened more quickly. Researchers at the University of Michigan, responsible for the national measure of consumer sentiment, reported that households’

assessment of their personal financial condition worsened by 20% in June. Inflation and gas prices were top of mind, as half of the US respondents cited the rise in gas prices as a major concern. This result was not surprising given national gas prices increased 65 cents last month.

Headlines have focused on two dynamics in the broader economy – inflation and the labor market. However, a look back over the last two years highlights that inflation is potentially acting as the most significant weight on household sentiment. June’s results clearly captured inflation reaching a critical level as it continues to erode consumer health. It also detected that the strength of the labor market may not be enough to offset rising prices and that the ramifications of higher prices may be more concerning for older households in Lancaster County.

CONSUMER SENTIMENT: *NATIONAL & LANCASTER COUNTY

* Preliminary results from a national survey on consumer sentiment conducted by the University of Michigan are 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.