

Local Consumer Sentiment Shows Confidence for Recovery Despite Worry over Inflation; National Sentiment Improves Slightly

National and local consumer sentiment ticked up very slightly in July, even as news of inflation reached another record high and concern over a recession grew. Lancaster’s sentiment rose 2.2 points reaching 62.1. At 51.1, the National sentiment continues to linger around all-time lows, slightly inching up 1.1 points this month.

The poll captured the complexity of household attitudes. Two components are factors in the consumer sentiment score: current conditions – which convey the view of spending now and how current finances compare to a year ago – as well as future expectations of the economy and personal finances.

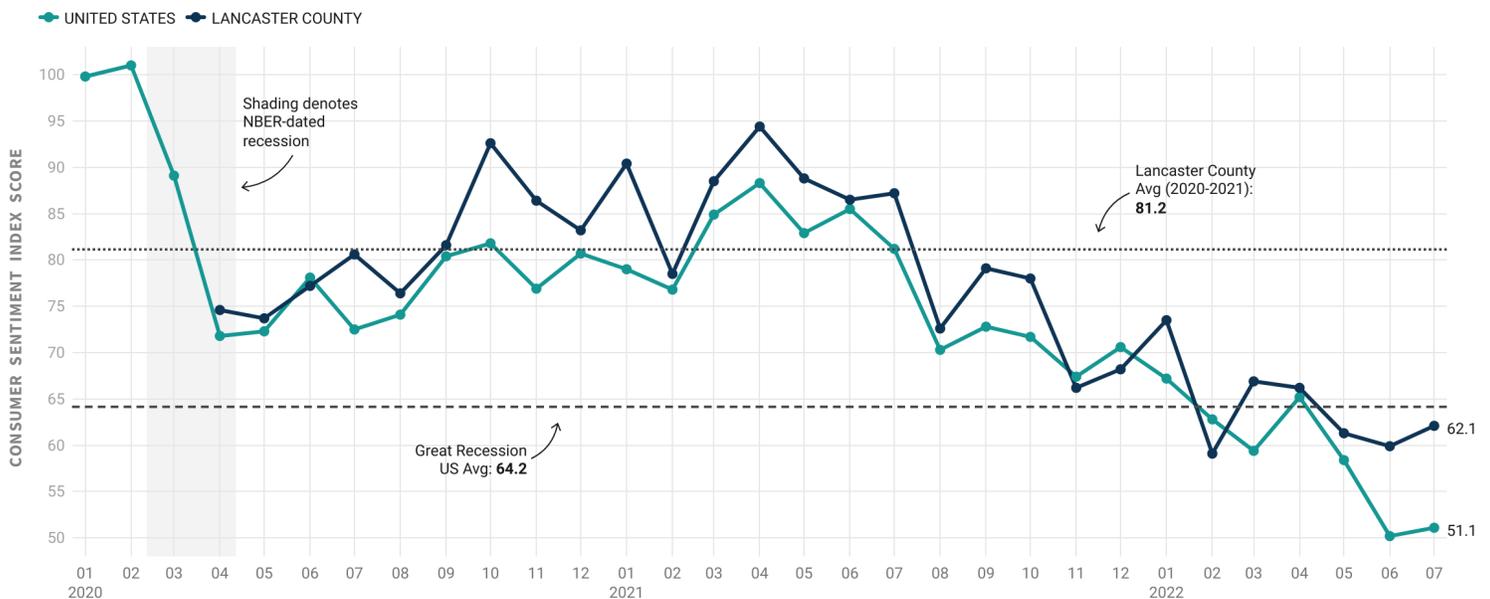
The measure of current conditions revealed that households continue to show deteriorating financial conditions and anticipate a continued rise in inflation. The worry over ongoing inflation resulted in a view by some that it is better to buy now to avoid future price increases. This had the counter-intuitive result of holding the local measure of current conditions steady.

Future expectations revealed a divergence between local and national attitudes. Rooted in local confidence, Lancaster’s short-term expectations ticked up slightly, and greater confidence in recovery over the medium term surfaced raising 8% this month.

While this month's polling shows local confidence and less apprehension towards the risk of a recession or economic slowdown, there is uncertainty about what this means for consumer spending in the upcoming months.

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 lriggs@edclancaster.com.