

## Rise in Local Sentiment Fueled by Positive Future Outlook; National Score Remains at Recessionary Level

Lancaster’s consumer sentiment rose strongly from July to September. It reached 72.9 this month as a result of gaining nearly 11 points since July. Over the same period, national sentiment registered a similar increase, climbing 8 points to 59.5. Despite the mirrored ascent, consumer sentiment remains low. National sentiment is still at recessionary levels, while the local score may be inching upward.

This month’s poll showed sentiment in Lancaster County beginning to recover from its low-point in June. Both components of the consumer sentiment, current conditions and future expectations, improved as a result of more people sharing positive rather than ambivalent assessments about the strength of their household’s financial conditions and the local economy. Future expectations played an important role in both the local and national scores rising.

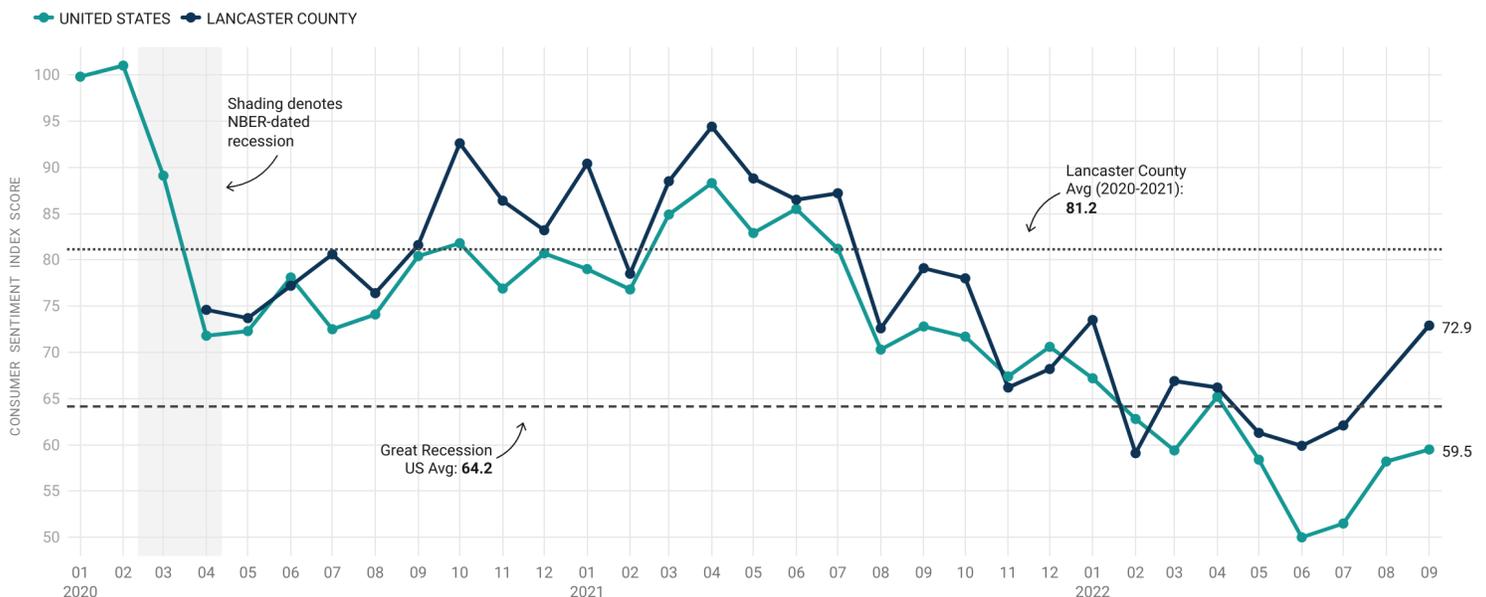
Measures of current conditions and near-term changes hint at the beginnings of cautious optimism in Lancaster County. Inflationary worry remains at the forefront of respondents’ minds. However, this month also registered a notable improvement in the financial condition of local households. In July, only 7% of households reported being better off than a

year ago, while this month, that share rose to 14%. Notably, the share of households who reported being worse off was unchanged (44%). Lancastrians’ short-term expectations increased more strongly. The share of households expecting to be better off in a year rose, while the share expecting to be worse off fell. Poll respondents pointed to decreased gas prices and a strong job market as reasons for their optimism.

Amid increased headlines over where the US economy is headed and the Fed signaling that it will continue to hike interest rates as it tries to curb inflation, Lancaster County residents remain confident in the local economy. This month’s read suggests local consumer spending may remain resilient through the rest of the year – however, that confidence is dependent on how local economic conditions affect household finances.

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

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



EDC’s Center for Regional Analysis began measuring consumer confidence in April 2020. The poll is conducted the first two weeks 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 [ramiller@edclancaster.com](mailto:ramiller@edclancaster.com).