

Pattern of Economic Uncertainty Continues Among Lancaster County Residents

A recent poll of Lancaster County residents captured a significant improvement in local attitudes toward the economy, continuing a vacillating trend that began in July 2022. Following a nearly 11-point drop to a consumer sentiment index score of 66.1 in March, the pendulum swung back up by 17 points to a 22-month high of 83.1 in May. Lancaster County residents' current optimism stands in contrast to national consumer sentiment scoring which, according to the University of Michigan's latest Survey of Consumers polling, saw a 4.3-point drop over the same time frame (March 2023 to May 2023). The divergence of the two polls, coupled with the up-and-down nature of Lancaster's polling, underscores a sense of economic uncertainty.

Locally, the uptick in consumer attitudes is largely attributable to a positive shift in respondents' outlook on where the economy is heading. Inflation, however, continues to remain in the forefront of Lancastrians' minds. Although May's polling saw respondents expressing relief in the wake of a

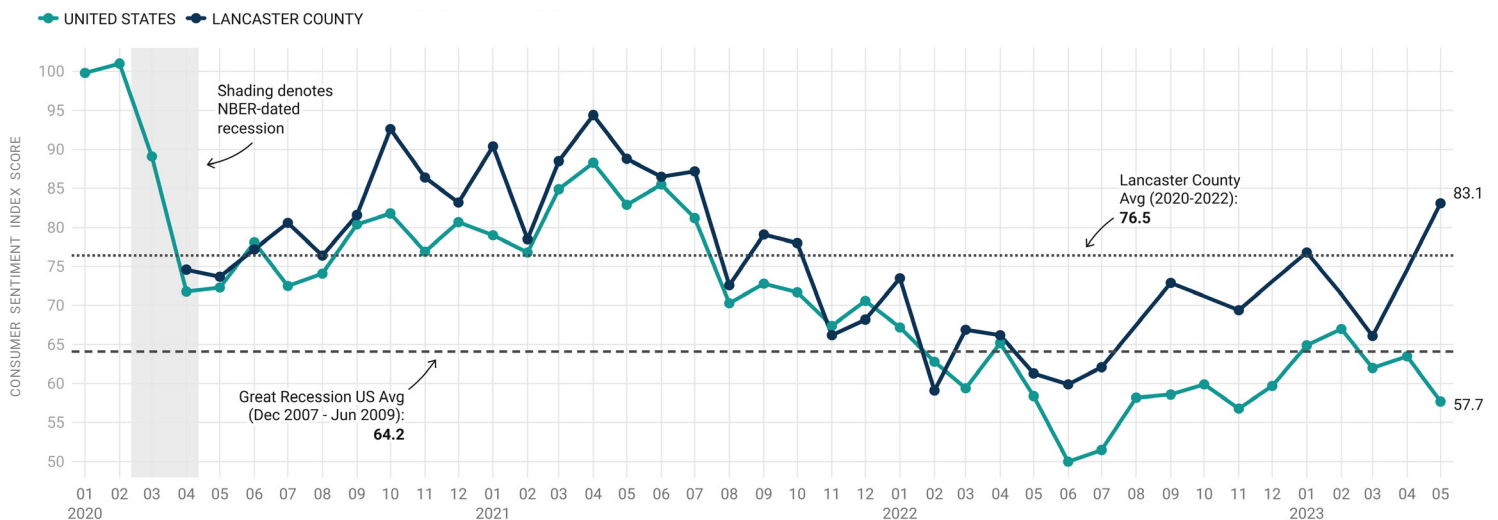
10-month inflationary decline, many respondents noted that the current (April) 4.9% inflation rate – more than double the Federal Reserve's target of 2% – continues to cause them financial difficulties. Many respondents cited a thriving local business environment, along with low unemployment and the continued ease in finding work, as contributing factors to their heightened optimism. At the same time, the growing number of economists forecasting an impending recession weighed on many respondents' minds.

Accounting for the recent dip in national consumer sentiment, Joanne Hsu, director of the Survey of Consumers at the University of Michigan, acknowledged that "worries about the economy escalated in May alongside the proliferation of negative news about the economy, including the debt crisis standoff." While local respondents shared frustration with national economic policy, the ongoing federal debt ceiling crisis was notably absent as only 2% of survey responses contained any mention of national debt policy.

Survey of Consumer Sentiment for Lancaster County was conducted May 1-14, 2023.

University of Michigan Surveys of Consumers (5/12/23); www.sca.isr.umich.edu

Consumer Sentiment: National* and Lancaster County^ (2020-2023)



* Preliminary results from national survey conducted by the University of Michigan (www.sca.isr.umich.edu).

^ EDC's Center for Regional Analysis began measuring consumer confidence in April 2020 in partnership with LNP Media Group. The poll is conducted the first two weeks of every other month and reflects only Lancaster County residents. It is modeled after the University of Michigan survey to allow for comparison to national results. For questions, contact ramiller@edclancaster.com.