

Increased Economic Optimism Recorded in Local, National Consumer Sentiment Polls in July

Following 12 months of fluctuation, July's measure of consumer confidence in Lancaster County shows signs that residents' opinions of the economy are stabilizing. Conducted the first two weeks of July, the recent polling yielded a consumer sentiment index score of 83.0 – a nearly identical match to May's reading (83.1) which, notably, was the highest scoring since July 2021.

Looking more broadly, this heightened outlook is in line with the rise in optimism seen at the national level. In its monthly Surveys of Consumers, the University of Michigan captured a second consecutive increase in consumer sentiment in July as scores rose over 13 points between May and July to a preliminary index of 72.6 which, Surveys of Consumers Director Joanne Hsu reports, marks the most favorable national reading since September 2021.

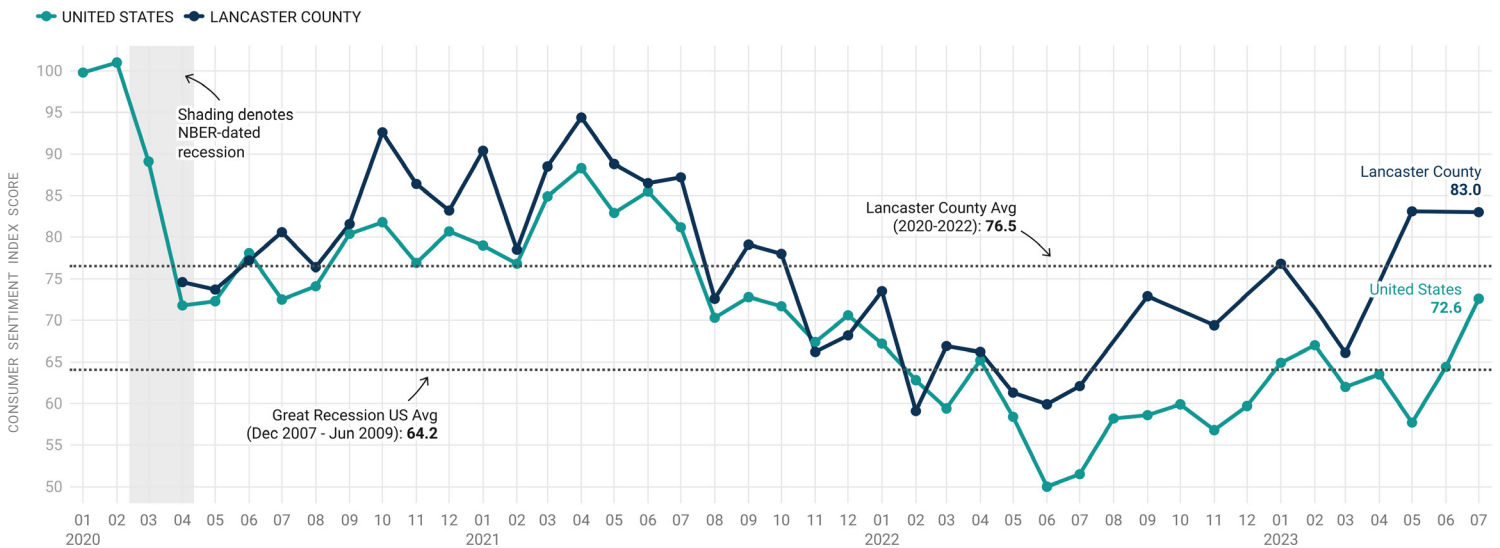
Locally, the positive uptick in consumer sentiment can be partially attributed to current labor market conditions, as businesses have found it easier to locate workers while unemployment remains historically low (2.9% for Lancaster County as of May 2023). Although inflation remains a leading concern for Lancaster residents, survey respondents conveyed a growing sense of relief as inflation has eased from an annual growth of 9.1% just one year ago to 3% in June.

As inflation persists and the Federal Reserve continues to tighten the market by raising interest rates, consumers in Lancaster County are closely monitoring whether wages will keep up with inflation. Consumers' confidence in their ability to find and hold a job, along with the ability of wages to match or surpass inflation rates, will continue to influence individuals' purchasing power as well as their economic outlook.

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

University of Michigan Surveys of Consumers (7/14/23); www.sca.isr.umich.edu

Consumer Sentiment: National¹ and Lancaster County² (2020-2023)



¹ Preliminary results from national survey conducted by the University of Michigan (www.sca.isr.umich.edu).

² EDC's Center for Regional Analysis' measure of Lancaster County residents' consumer confidence began in April 2020 in partnership with LNP Media Group & is modeled after the University of Michigan survey to allow for comparison to national results. Beginning in September 2022, Lancaster County polling switched from a monthly to a bi-monthly collection. For questions, contact ramiller@edclancaster.com.