



March 2024 survey results

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Consumer sentiment recorded an incremental increase of less than three index points from February, well within the margin of error and holding steady since January. Critically, consumers exhibited confidence that inflation will continue to soften. Assessments and expectations of personal finances improved modestly from last month, as the perceived negative effects of high prices and expenses on living standards eased. Strong stock market performance this month supported sentiment gains only for those with the largest holdings, with little impact on the index. Overall, sentiment is essentially unchanged throughout the first quarter of 2024, remaining just above the midpoint between the pre-pandemic level of sentiment and the historic trough from June 2022. This stability reflects a perception among consumers that the economy has been holding steady in its current state. As the election season progresses and debates over economic policy become more salient for consumers, their outlook for the economy could become more volatile in the months ahead.

Year-ahead inflation inched down from 3.0% last month to 2.9% this month. For the third straight month, short-run inflation expectations have fallen within the 2.3-3.0% range seen in 2018 and 2019. Long-run inflation expectations also inched down, from 2.9% to 2.8%, and remain modestly elevated relative to the 2.2-2.6% range seen in the two years pre-pandemic.

Inflation expectations continued to come into focus for consumers. Just as sentiment has been essentially flat over the last three months, median inflation expectations have been remarkably stable as well. Consumers were unmoved by the slight uptick in realized inflation seen in the most recent CPI print and did not appear to alter their expectations in response. At the same time, the chart above shows that inflation uncertainty—as estimated by the interquartile range in inflation expectations—has been on a general downward trend after spiking in mid-2022 amid high realized inflation. However, when the slowdown in realized inflation stalled in mid-2023, consumers' uncertainty over inflation increased again, a sign that they were unconvinced that inflation had truly turned a corner. Data from recent months suggest that consumers made up their mind in December 2023. Not only did inflation expectations fall sharply, so did inflation uncertainty, demonstrating the consensus among consumers. As such, consumers are now broadly in agreement that inflation will continue to slow both over the short term and the long term.

This month, the share of consumers spontaneously mentioning the upcoming election rose to nearly 20% from 13% last month. Democrats, Independents, and Republicans alike all referenced the role of future election results in influencing the trajectory of the economy. In March, consumers who mentioned elections reported markedly more favorable sentiment than those who did not, regardless of political identification. Consumers across the political spectrum seem to anticipate that the election results will be favorable for the economy. That said, the general election campaign season has just begun, and the way consumers incorporate their election expectations their economic views will likely change over the course of the year.

| | Mar 2023 | Apr 2023 | May 2023 | Jun 2023 | Jul 2023 | Aug 2023 | Sep 2023 | Oct 2023 | Nov 2023 | Dec 2023 | Jan 2024 | Feb 2024 | Mar 2024 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Index of Consumer Sentiment | 62.0 | 63.7 | 59.0 | 64.2 | 71.5 | 69.4 | 67.8 | 63.8 | 61.3 | 69.7 | 79.0 | 76.9 | 79.4 |
| Current Economic Conditions | 66.3 | 68.5 | 65.1 | 68.9 | 76.5 | 75.5 | 71.1 | 70.6 | 68.3 | 73.3 | 81.9 | 79.4 | 82.5 |
| Index of Consumer Expectations | 59.2 | 60.6 | 55.1 | 61.1 | 68.3 | 65.4 | 65.7 | 59.3 | 56.8 | 67.4 | 77.1 | 75.2 | 77.4 |
| Index Components | | | | | | | | | | | | | |
| Personal Finances - Current | 88 | 84 | 85 | 85 | 96 | 93 | 86 | 79 | 84 | 88 | 100 | 98 | 104 |
| Personal Finances - Expected | 104 | 105 | 104 | 107 | 113 | 115 | 110 | 101 | 106 | 112 | 122 | 116 | 122 |
| Economic Outlook - 12 Months | 58 | 60 | 49 | 63 | 73 | 70 | 73 | 61 | 57 | 73 | 93 | 93 | 95 |
| Economic Outlook - 5 Years | 73 | 76 | 65 | 73 | 86 | 76 | 79 | 74 | 63 | 84 | 94 | 92 | 94 |
| Buying Conditions - Durables | 82 | 91 | 82 | 92 | 101 | 102 | 96 | 102 | 92 | 100 | 111 | 106 | 109 |

The minimum monthly change required for significance at the 95% level in the Sentiment Index is 4.8 points; for the Current and Expectations Indexes, the minimum is 6.0 points.