



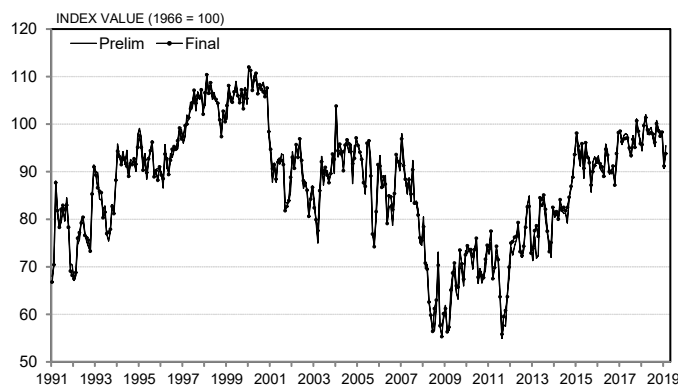
Subject: Preliminary estimates versus final results
From: Richard Curtin, Director

March 8, 2019

How accurately do the mid-month preliminary estimates reflect the actual final monthly results? The release of preliminary data was sparked by a sudden collapse in confidence due to the invasion of Kuwait by Iraq on August 2, 1990. I had the choice between keeping the collapse confidential until the end of August, or providing advance warning at mid-month that consumer confidence would tumble. That first preliminary release proved to be enormously helpful for devising economic policies by both private and public decision makers. The current assessment is based on data from 1991 to 2019. As shown in the table below, the difference between the preliminary and the final monthly Sentiment Index was just 0.3 Index-points, both for the average and median. The absolute difference, which treats positive and negative deviations equally, shows a mean difference of 1.2 Index points and a median difference of 0.9 Index points. All of these differences are much smaller than the 95% confidence intervals of ± 3.2 points for the Sentiment Index. The data thus indicate that the preliminary figures have shown a high degree of accuracy.

The chart below indicates the close correspondence between the preliminary and final results for the Sentiment Index—yes, it is sometime hard to detect, but there are two lines plotted. The time series correlation was 0.99.

Index of Consumer Sentiment

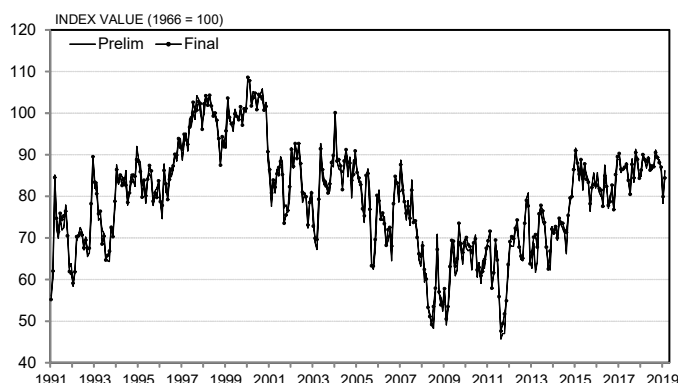


The table includes the two major components of the Sentiment Index as well as assessments for the accuracy of each component question. The component questions have shown slightly larger differences, but all demonstrated very high times series correlations—see the next page for the rest of the charts. Note that the higher differences on the component questions were accompanied by larger 95% confidence intervals. It is of some interest to note that most component questions had positive mean divergence, meaning that final figures were more positive on average than the preliminary values. The sole exception was for durable buying attitudes. Nonetheless, all differences, including absolute differences, were less than half the 95% confidence interval.

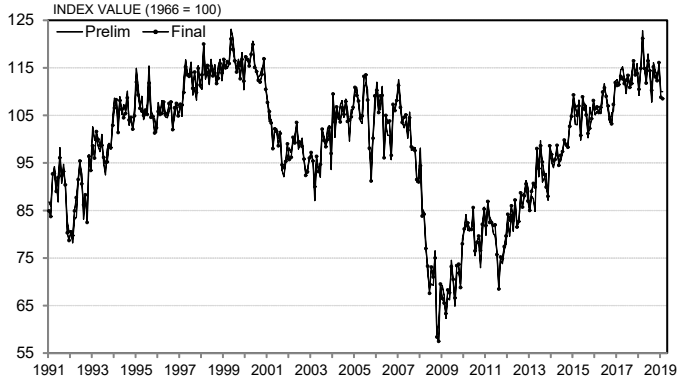
**Preliminary Estimates Versus Final Figures:
January 1991 to February 2019**

	Difference (Final-Prelim)		Absolute Difference Final-Prelim		Time Series Correlation	95% Confidence Interval
	Mean	Median	Mean	Median		
Index of Consumer Sentiment	0.3	0.3	1.2	0.9	0.99	± 3.2
Index of Consumer Expectations	0.4	0.5	1.5	1.2	0.99	± 3.8
Current Conditions Index	0.0	-0.1	1.4	1.2	0.99	± 3.9
Current Personal Finances	0.7	0.5	2.5	2.0	0.99	± 7.0
Expected Personal Finances	1.3	1.2	2.1	1.8	0.97	± 5.5
12 Month Business Conditions	0.5	0.6	3.0	2.6	0.99	± 7.6
5 Year Business Conditions	0.0	0.1	2.8	2.2	0.98	± 7.9
Durable Buying Conditions	-0.6	-0.7	2.4	2.0	0.99	± 6.8

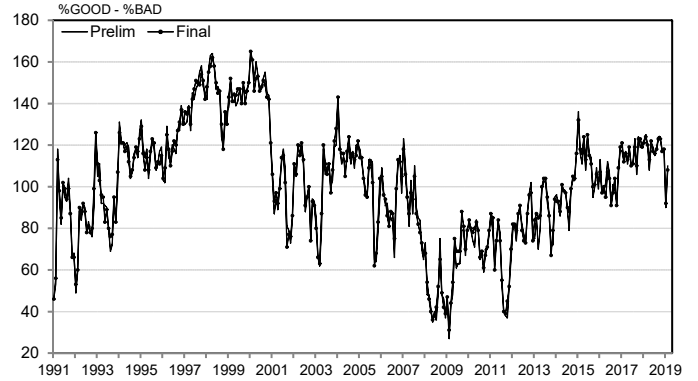
Index of Consumer Expectations



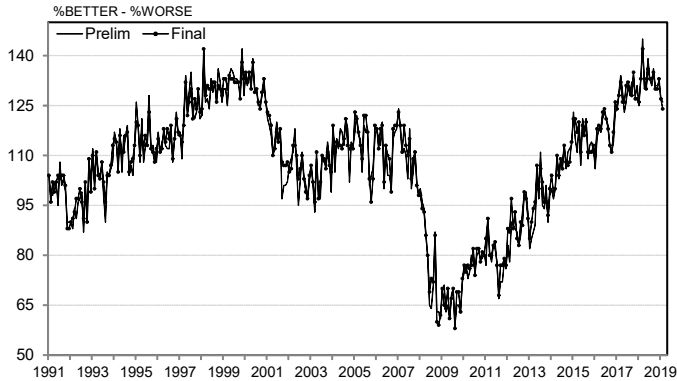
Index of Current Economic Conditions



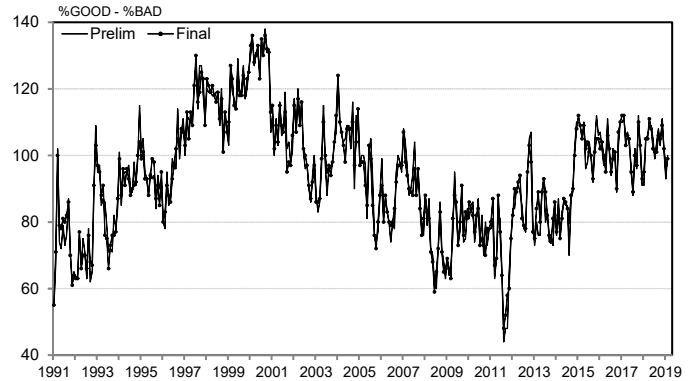
Year-Ahead Outlook for National Economy



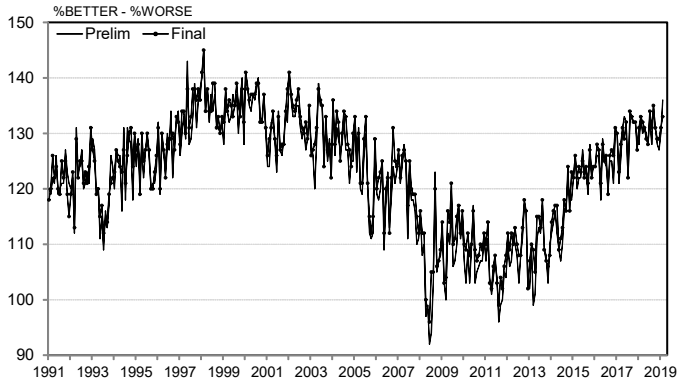
Current Personal Financial Situation



Five-Year Outlook for National Economy



Expected Change in Personal Finances



Buying Conditions For Durables

