**November 2023 survey results**

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Consumer sentiment fell a modest 2.5 index points, or 4%, from October. While this marks the fourth consecutive month of declines, November's reading reflects a balance of factors, some of which improved while others worsened. More-favorable current assessments and expectations of personal finances were offset by a notable deterioration in expected business conditions. In particular, long-run business conditions plunged by 15% to its lowest since July 2022. Younger and middle-aged consumers exhibited strong declines in economic attitudes this month, while sentiment of those age 55 and older improved from October.

Index of Consumer Sentiment
(Monthly and three month moving average)
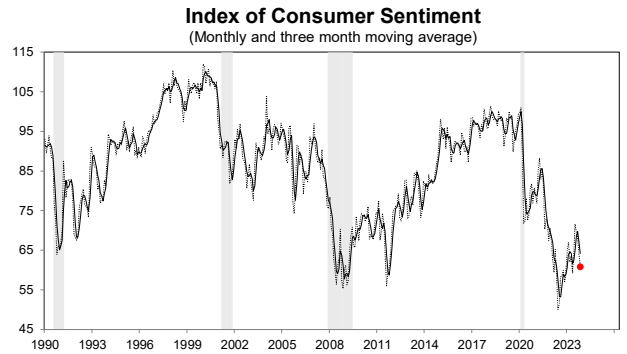
Year-ahead inflation expectations rose to 4.5% this month, up from 4.2% in October, reaching its highest reading since April 2023. Long-run inflation expectations rose from 3.0% last month to 3.2% this month, a reading last seen in 2011. These expectations have risen in spite of the fact that consumers have taken note of the continued slowdown in inflation; the share of consumers blaming high prices for eroding their living standards fell from 47% in October to 40% this month. At this time, consumers appear worried that the softening of inflation could reverse in the months and years ahead. Likewise, despite easing prices at the pump, one-year gas price expectations rose to its highest reading since June 2022, and five-year gas price expectations are their highest since March 2022.

For some consumers, food and gas prices continue to weigh heavily on their economic views; about 18% of consumers spontaneously mentioned food prices, and about 17% referenced gas prices. These concerns pass through to inflation expectations; those who alluded to food or gas prices held year-ahead inflation expectations of over 5%, considerably higher than other consumers. The share of consumers mentioning gas prices declined considerably from the 36% seen a year ago. In contrast, the frequency of food price comments was little changed from last November.

Still, views of personal finances improved from last month. Current assessments rose 6% in November and are now 9% more favorable than a year ago, primarily on the basis of easing price pressures. For those with the top tercile of stock holdings, personal finances improved a notably steep 22% this month, reflecting recent strengthening in equity markets. Across all consumers, expectations of future personal finances rose about 5% from last month and is equal to its reading from a year ago.

Views of labor markets remained mixed. Consumers still have relatively strong expectations of incomes; 58% of consumers expect their incomes to rise in the year ahead, and only 17% expect declines. However, consumers report hearing worsening news about labor markets. About 25% of consumers reported hearing negative news about labor markets, up from 20% last month and the highest reading since May 2023. Approximately 17% of consumers now consider unemployment to be a greater challenge to the economy than inflation in the year ahead, up from 15% last month. On net, income expectations can be expected to provide some support to consumer spending in spite of darkening views of the future.

	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023
Index of Consumer Sentiment	56.7	59.8	64.9	66.9	62.0	63.7	59.0	64.2	71.5	69.4	67.9	63.8	61.3
Current Economic Conditions	58.7	59.6	68.5	70.7	66.3	68.5	65.1	68.9	76.5	75.5	71.1	70.6	68.3
Index of Consumer Expectations	55.5	60.0	62.6	64.5	59.2	60.6	55.1	61.1	68.3	65.4	65.8	59.3	56.8
Index Components													
Personal Finances - Current	77	76	89	91	88	84	85	85	96	93	86	79	84
Personal Finances - Expected	106	107	112	111	104	105	104	107	113	115	110	101	106
Economic Outlook - 12 Months	49	61	59	67	58	60	49	63	73	70	73	61	57
Economic Outlook - 5 Years	65	71	77	79	73	76	65	73	86	76	79	74	63
Buying Conditions - Durables	73	77	87	90	82	91	82	92	101	102	97	102	92