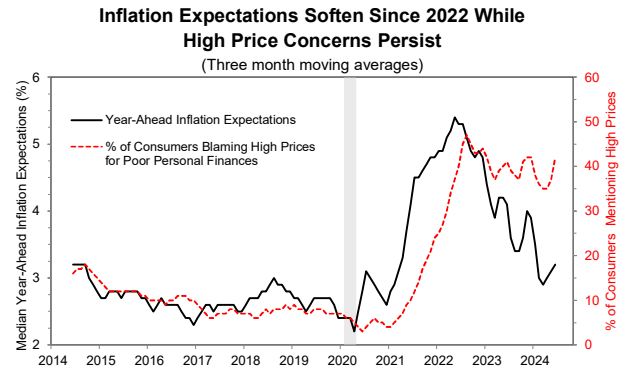




**June 2024 survey results**  
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Consumer sentiment held steady in June; this month’s reading was a scant and statistically insignificant 0.9 index points below May and well within the margin of error. While consumers exhibited confidence that inflation will continue to moderate, many expressed concerns about the effect of high prices and weakening incomes on their personal finances. These trends offset the improvements in the short- and long-run outlook for business conditions stemming in part from expectations for softening interest rates. Still, sentiment is currently about 36% above the trough seen in June 2022. All patterns discussed in this report are visible when looking at trends within web interviews alone or phone interviews alone, and thus they are not artifacts of the [survey’s methodological transition](#).



Year-ahead inflation expectations fell from 3.3% last month to 3.0% this month; in comparison, these expectations ranged between 2.3 to 3.0% in the two years prior to the pandemic. Long-run inflation expectations came in at 3.0% for the third consecutive month and have remained remarkably stable over the last three years. These expectations remain somewhat elevated relative to the 2.2-2.6% range seen in the two years pre-pandemic.

Over the past two years, our surveys clearly reveal that consumers distinguish between their own experiences with high price levels and their views of overall inflation rates. The chart plots the share of consumers spontaneously expressing that high prices are eroding their personal finances (red dashed line) as well as year-ahead inflation expectations (black solid line) over the past ten years. Both measures were consistently low in the low-inflation environment of the 2010s. Inflation expectations began rising during the pandemic recession (gray shaded bar), followed a year later by growth in the share of consumers mentioning the impact of high prices. Both measures climbed sharply through mid-2022. Inflation expectations hit their peak in April 2022 in advance of year-over-year CPI inflation cresting in June 2022. One month later in July, the share of consumers blaming high prices for poor personal finances reached its own all-time high.

Since mid-2022, realized inflation has eased considerably. Consumers’ inflation expectations have followed a similar path, falling from 5.3% two years ago to the 3.0% seen today. However, the share of consumers mentioning the negative impact of high prices on their personal finances has remained stubbornly high; the 46% reading this month barely budged from the 49% seen in mid-2022. The marked divergence in consumers’ personal experiences with high prices and their expectations for macroeconomic inflation likely reflects a latent understanding that disinflation does not necessarily yield lower price levels. These divergent patterns since 2022 are visible across age, education, income, and political affiliation.

Sentiment reached its own trough in June 2022, concurrent with the peak in realized inflation. In spite of the persistence of concerns over high prices since then, sentiment has improved considerably over the past two years. At the same time, experiences with high prices are a key reason that sentiment remains below its historical average since 1978.

	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024
Index of Consumer Sentiment	64.2	71.5	69.4	67.8	63.8	61.3	69.7	79.0	76.9	79.4	77.2	69.1	68.2
Current Economic Conditions	68.9	76.5	75.5	71.1	70.6	68.3	73.3	81.9	79.4	82.5	79.0	69.6	65.9
Index of Consumer Expectations	61.1	68.3	65.4	65.7	59.3	56.8	67.4	77.1	75.2	77.4	76.0	68.8	69.6
Index Components													
Personal Finances - Current	85	96	93	86	79	84	88	100	98	104	95	91	81
Personal Finances - Expected	107	113	115	110	101	106	112	122	116	122	116	111	106
Economic Outlook - 12 Months	63	73	70	73	61	57	73	93	93	95	92	79	84
Economic Outlook - 5 Years	73	86	76	79	74	63	84	94	92	94	96	84	88
Buying Conditions - Durables	92	101	102	96	102	92	100	111	106	109	109	88	88

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.