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**July 2024 survey results**  
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Consumer sentiment has remained virtually unchanged in the last three months. July’s reading was a statistically insignificant 1.8 index points below June, well under the margin of error. Sentiment has lifted 33% above the June 2022 historic low, but it remains guarded as high prices continue to drag down attitudes, particularly for those with lower incomes. Labor market expectations remain relatively stable, providing continued support to consumer spending. However, continued election uncertainty is likely to generate volatility in economic attitudes in the months ahead.

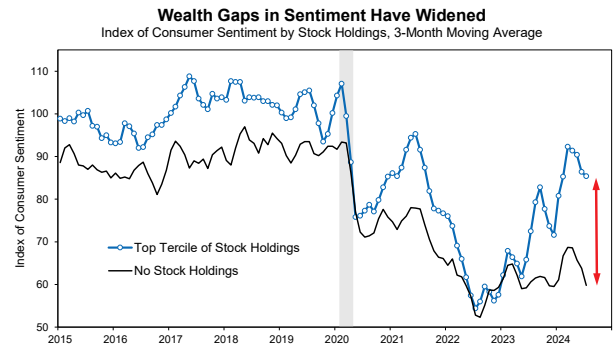
Year-ahead inflation expectations fell for the second straight month, reaching 2.9%. In comparison, these expectations ranged between 2.3 to 3.0% in the two years prior to the pandemic. Long-run inflation expectations came in at 3.0%, unchanged from last month and remaining remarkably stable over the last three years. These expectations remain somewhat elevated relative to the 2.2-2.6% range seen in the two years pre-pandemic.

While many consumers expressed that their expectations for the economy are contingent on the outcome of the upcoming election, there is little evidence that recent election developments—the debate, the Trump assassination attempt, and Biden’s exit from the race—moved overall economic sentiment this month. While sentiment slipped from June for Democrats, it was essentially unchanged for Independents. That said, the role of the election for economic attitudes could change as policy debates and other aspects of the presidential campaigns take shape.

The fact that sentiment has moved little over the past three months obscures substantial variation in attitudes across the population. The chart above plots sentiment separately for the top tercile of stock holdings and consumers who do not own any stock. Not surprisingly, consumers with larger holdings tend to exhibit higher levels of sentiment than those with smaller (or no) holdings, due in part to the financial security and purchasing power afforded by more wealth. By June 2022 with the peak of inflation, though, sentiment converged across the distribution of stock holdings. Both groups reported similarly low levels of sentiment; this convergence is common during poor economic conditions.

Since then, the gap in sentiment between consumers with the largest holdings and no holdings has widened enormously, consistent with the fact that strong asset values only benefit the finances of consumers who hold those assets. Consumers with the largest stock holdings have seen a 71% increase in sentiment since June 2022. Meanwhile, those without stocks only saw an 11% gain. The sentiment gap between these two groups stands at 33 index points, just shy of the historic high from February 2007 and nearly triple the historical average since the surveys began asking about the value of stock holdings in 1998. This month, the stock wealth gap in sentiment is even larger than the well-known [partisan gap](#).

These disparate patterns are consistent with strong consumer spending overall; wealthy consumers who generate a disproportionate share of spending have been supported in recent years not only by rising asset values and incomes, but growing confidence in the economy as well. Furthermore, only 27% of consumers in the top third of stock holdings spontaneously cited high prices eroding their personal finances, compared with 52% of consumers with no holdings.



	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024
Index of Consumer Sentiment	71.5	69.4	67.8	63.8	61.3	69.7	79.0	76.9	79.4	77.2	69.1	68.2	66.4
Current Economic Conditions	76.5	75.5	71.1	70.6	68.3	73.3	81.9	79.4	82.5	79.0	69.6	65.9	62.7
Index of Consumer Expectations	68.3	65.4	65.7	59.3	56.8	67.4	77.1	75.2	77.4	76.0	68.8	69.6	68.8
Index Components													
Personal Finances - Current	96	93	86	79	84	88	100	98	104	95	91	81	79
Personal Finances - Expected	113	115	110	101	106	112	122	116	122	116	111	106	105
Economic Outlook - 12 Months	73	70	73	61	57	73	93	93	95	92	79	84	86
Economic Outlook - 5 Years	86	76	79	74	63	84	94	92	94	96	84	88	84
Buying Conditions - Durables	101	102	96	102	92	100	111	106	109	109	88	88	81

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.