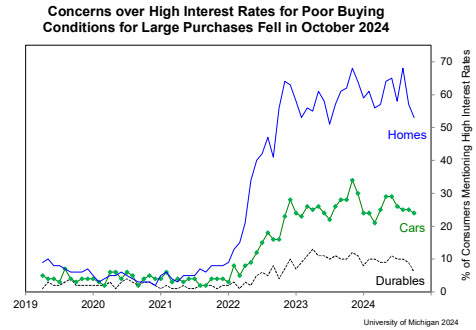


October 2024 survey results

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Consumer sentiment lifted for the third consecutive month, inching up to its highest reading since April 2024. Sentiment is now more than 40% above the June 2022 trough. This month’s increase was primarily due to modest improvements in buying conditions for durables, in part due to easing interest rates. The upcoming election looms large over consumer expectations. Overall, the share of consumers expecting a Harris presidency fell from 63% last month to 57% in October. Sentiment of Republicans, who believe that a Trump presidency would be better for the economy, rose 8% on growing confidence that their preferred candidate would be the next president. In contrast, sentiment declined 1% for Democrats. As usual, Independents remain in between, with a 4% gain in sentiment this month. Regardless of the eventual winner, a sizable share of consumers will likely update their economic expectations based on the results of the election.



Year-ahead inflation expectations were unchanged from last month at 2.7%. The current reading falls within the 2.3-3.0% range seen in the two years prior to the pandemic. Long-run inflation expectations edged down from 3.1% last month to 3.0% this month, remaining modestly elevated relative to the range of readings seen in the two years pre-pandemic. Today’s [special report](#) provides additional context for understanding the path of long-run inflation expectations over the last seven years.

Labor market expectations improved in October, which should offer continued support for consumer spending. Unemployment expectations improved slightly from last month and is currently at its historical average since 1978. Nominal and real income expectations both increased to their strongest readings since June 2024, respectively. Despite recent improvements, lower-income consumers continue to expect much lower income growth (in both nominal and real terms) than their higher-income counterparts. This, along with the fact that lower-income consumers expect higher inflation rates as well, is consistent with the growing gap in consumer sentiment between those with the top third and bottom third of incomes. One year ago, the sentiment gap between the two groups was only four index points, and this month it has widened to over 20 points.

As seen in the chart, consumer views on large purchases have started to incorporate last month’s interest rate cut. The share of consumers spontaneously mentioning high interest rates as a negative factor for buying conditions for homes, durable goods, and vehicles all fell. Still, interest rate concerns remain considerably elevated relative to early 2022. Consumers broadly expect further relief on this front, with 52% expecting continued declines in interest rates in the year ahead, down just slightly from the all-time high of 55% reached last month.

October 2024 marks the third month of reporting from full web interviewing, which followed a four-month methodological transition from phone to web interview data. In accordance with our long-standing emphasis on

	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024
Index of Consumer Sentiment	63.8	61.3	69.7	79.0	76.9	79.4	77.2	69.1	68.2	66.4	67.9	70.1	70.5
Current Economic Conditions	70.6	68.3	73.3	81.9	79.4	82.5	79.0	69.6	65.9	62.7	61.3	63.3	64.9
Index of Consumer Expectations	59.3	56.8	67.4	77.1	75.2	77.4	76.0	68.8	69.6	68.8	72.1	74.4	74.1
Index Components													
Personal Finances - Current	79	84	88	100	98	104	95	91	81	79	79	80	81
Personal Finances - Expected	101	106	112	122	116	122	116	111	106	105	108	111	110
Economic Outlook - 12 Months	61	57	73	93	93	95	92	79	84	86	88	93	92
Economic Outlook - 5 Years	74	63	84	94	92	94	96	84	88	84	92	94	95
Buying Conditions - Durables	102	92	100	111	106	109	109	88	88	81	78	82	85



transparency, our [website](#) provides documentation on [how the transition influences the survey data](#) and [time series charts and correlations](#) from our seven years of parallel data collection via the web, as well as [microdata](#) that enables data users to separately analyze phone and web data from the transition period. After careful consideration, the transition did not include any adjustment factors. This approach provides both full transparency as well as flexibility for the many different types of data users who rely on the Surveys of Consumers for disparate goals. As always, we will continue to evaluate and share our methodology to ensure we are serving our data users and the general public as best we can.