surveys of consumers
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Monitoring trends for over 75 years

September 2025 survey results September 26, 2025

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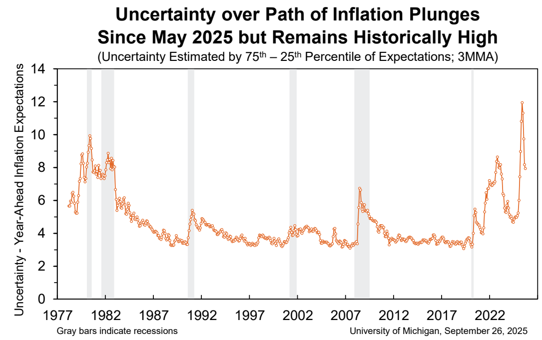

Consumer sentiment confirmed its early-month reading and eased about 5% from last month but remains above the low readings seen in April and May of this year. Although September's decline was relatively modest, it was still seen across a broad swath of the population, across groups by age, income, and education, and all five index components. A key exception: sentiment for consumers with larger stock holdings held steady in September, while for those with smaller or no holdings, sentiment decreased. This month, sentiment moved down about 9% for independents and 4% for Republicans, whereas it lifted this month for Democrats. Nationally, not only did macroeconomic expectations fall, particularly for labor markets and business conditions, but personal expectations did as well, with a softening outlook for their own incomes and personal finances. Consumers continue to express frustration over the persistence of high prices, with 44% spontaneously mentioning that high prices are eroding their personal finances, the highest reading in a year. Interviews this month highlight the fact that consumers feel pressure both from the prospect of higher inflation as well as the risk of weaker labor markets.

Year-ahead inflation expectations receded slightly to 4.7% from 4.8% last month to. Long-run inflation expectations moved up for the second straight month to 3.7% in September, but stand much lower than the 4.4% spike seen in April.

As seen in the chart, uncertainty over year-ahead inflation—as measured by the spread of the middle 50% of expectations—plunged following a brief spike in April and May in the wake of announcements of historically high tariffs. At that time, many consumers braced for a resurgence in inflation with these trade policy changes, while others anticipated a substantial slowdown: those spontaneously mentioning tariffs during interviews had short-run inflation expectations that were almost four percentage points higher than those who did not mention tariffs. Since then, with the moderation of tariff developments and the relatively gradual passthrough to consumer prices, this wedge shrank and is now less than two percentage points. Tariffs remain highly salient to consumers and influence their economic expectations; about 60% of consumers provided unprompted comments about tariffs, compared with 65% in May 2025 and 28% in January 2025. With trade policy remaining unsettled, inflation uncertainty is far higher than a year ago, despite plummeting since the spring far more rapidly compared with previous spikes.

In the first few months of 2025, sentiment across the wealth distribution decreased together and converged in April and May. Trends have since diverged once again, reflecting the fact that soaring stock values only generate benefits for those who own stocks. Sentiment of consumers with the largest tercile of holdings held firm from August and is currently over 30% higher than May 2025. In contrast, for consumers without any stock holdings, sentiment is about 10% *lower* than May 2025. Unsurprisingly, the sharpest differences now between consumers with large and no stock holdings are seen in current personal finances. These differing trends by wealth help provide some insight about the relative resilience in aggregate spending seen in recent months. The wealthy consumers who generate the most expenditures continue to be supported by strong asset values. However, such resilience may not persist, as the expectations index has deteriorated substantially this year across the wealth distribution, with expectations for the largest stock holders declining nearly 20% since January 2025.

	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025
Index of Consumer Sentiment	70.1	70.5	71.8	74.0	71.7	64.7	57.0	52.2	52.2	60.7	61.7	58.2	55.1
Current Economic Conditions	63.3	64.9	63.9	75.1	75.1	65.7	63.8	59.8	58.9	64.8	68.0	61.7	60.4
Index of Consumer Expectations	74.4	74.1	76.9	73.3	69.5	64.0	52.6	47.3	47.9	58.1	57.7	55.9	51.7
Index Components													
Personal Finances - Current	80	81	82	85	87	82	74	71	67	78	83	77	76
Personal Finances - Expected	111	110	116	111	109	99	86	78	79	94	91	91	86
Economic Outlook - 12 Months	93	92	97	88	81	73	56	48	50	63	66	61	57
Economic Outlook - 5 Years	94	95	96	94	88	83	66	60	60	74	72	70	62
Buying Conditions - Durables	82	85	82	108	106	86	89	82	83	88	91	80	78