surveys of consumers
UNIVERSITY OF MICHIGAN

Monitoring trends for over 75 years

Preliminary results from the November 2025 survey November 7, 2025

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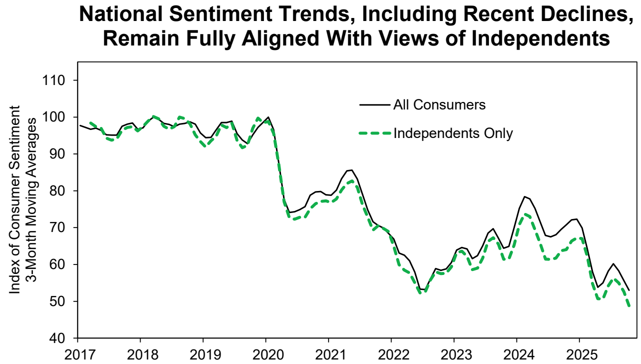
Consumer sentiment fell back about 6% this November, led by a 17% drop in current personal finances and a 11% decline in year-ahead expected business conditions. With the federal government shutdown dragging on for over a month, consumers are now expressing worries about potential negative consequences for the economy. This month's decline in sentiment was widespread throughout the population, seen across age, income, and political affiliation. One key exception: consumers with the largest tercile of stock holdings posted a notable 11% increase in sentiment, supported by continued strength in stock markets. Interviews for this release closed prior to Tuesday's elections.



Year-ahead inflation expectations inched up from 4.6% last month to 4.7% this month and remained well below readings in May in the wake of the initial announcements of major tariff changes. Long-run inflation expectations declined from 3.9% last month to 3.6% in November. These expectations are now below the midpoint between the readings seen a year ago and the 2025 peak reading from April.

Spontaneous mentions of the government shutdown jumped four-fold in November, reflecting growing anxiety that the federal government shutdown could lead to downstream adverse consequences for the macroeconomy. Some consumers also blamed the shutdown for recent job losses among family members or reductions in incomes. While these concerns were mentioned by a relatively small group of consumers, they are likely to escalate until the federal government re-opens.

More broadly, views of personal finances weakened substantially this month due to perceived risks to both expenditures as well as incomes. The share of consumers spontaneously mentioning the negative effects of high prices on their personal finances rose for the fifth consecutive month to 48%, up from 34% in January 2025. In addition, 29% of consumers spontaneously referenced weak incomes, surging from 20% last month and the highest seen since 2020. Taken together, consumers perceive pressure on their personal finances from multiple directions.

Consumers also anticipate that labor markets will continue to weaken in the future and expect to be personally affected. Expectations over unemployment surged this month, with 71% of consumers expecting unemployment to rise in the year ahead, up from 64% last month and now more than double the 32% seen last November. Moreover, consumers' expectations over their own probability of job loss worsened this month, reaching the highest reading since March 2025. Nominal income expectations remain stable but weak. Two-thirds of consumers expect any income growth to be outstripped by inflation in the year ahead, up from 57% a year ago.

Despite well-publicized differences in economic views for Republicans and Democrats, sentiment readings nationally (both on a level and trend basis) continue to be fully aligned with the views of independents, as seen in the chart. Looking specifically at 2025, the time path of sentiment continued to be virtually identical for independents compared with all consumers nationwide: the broad plummeting of national sentiment between January and April/May as tariff announcements escalated; its improvement thereafter as tariff rhetoric calmed down; and its recent downtick. Thus, national trends are not distorted by political polarization, nor do they reflect the views of only one part of the political spectrum.

	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov Prelim
Index of Consumer Sentiment	71.8	74.0	71.7	64.7	57.0	52.2	52.2	60.7	61.7	58.2	55.1	53.6	50.3
Current Economic Conditions	63.9	75.1	75.1	65.7	63.8	59.8	58.9	64.8	68.0	61.7	60.4	58.6	52.3
Index of Consumer Expectations	76.9	73.3	69.5	64.0	52.6	47.3	47.9	58.1	57.7	55.9	51.7	50.3	49.0
Index Components													
Personal Finances - Current	82	85	87	82	74	71	67	78	83	77	76	78	65
Personal Finances - Expected	116	111	109	99	86	78	79	94	91	91	86	82	84
Economic Outlook - 12 Months	97	88	81	73	56	48	50	63	66	61	57	57	51
Economic Outlook - 5 Years	96	94	88	83	66	60	60	74	72	70	62	59	59
Buying Conditions - Durables	82	108	106	86	89	82	83	88	91	80	78	72	68