Preliminary results from the January 2026 survey January 9, 2026

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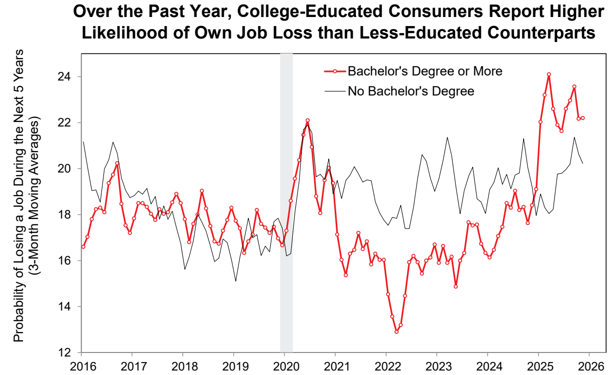
Consumer sentiment inched up for the second straight month and reached its highest reading since September 2025. Improvements in January were seen among lower-income consumers, while sentiment fell for those with higher incomes. All told, while consumers perceived some modest improvement in the economy over the past two months, their sentiment remains nearly 25% below last January's reading. They continue to be focused primarily on kitchen table issues, like high prices and softening labor markets. Although consumers' worries about tariffs appear to be gradually receding, they remain guarded about the overall strength of business conditions and labor markets. Note that more than 90% of interviews for this release were collected prior to the capture of Maduro in Venezuela.



Year-ahead inflation expectations held steady in January at 4.2%. This is the lowest reading since January 2025 but remains well above that month's 3.3%. Long-run inflation expectations ticked up slightly from 3.2% in December to 3.4% this month. In comparison, readings ranged between 2.8 and 3.2% in 2024, and were below 2.8% throughout 2019 and 2020.

High prices continue to drag down personal finances and buying conditions for big ticket purchases. About 45% of consumers spontaneously mentioned that high prices were eroding their living standards. Despite this month's bump in buying conditions for durables, they remained near historic lows with 37% of consumers citing high prices as a negative factor. About 73% of consumers reported that it is a bad time to buy vehicles, with prices again serving as the most-mentioned reason.

While labor market expectations have clearly deteriorated over the past year and remain soft this month, expectations for higher-educated and higher-income consumers have recently been worse than for their lower-educated, lower-income counterparts. As seen in the chart, January's readings for the expected probability of losing one's own job are less favorable among college-educated consumers (red line on the chart) than for consumers without a bachelor's degree (black line), a pattern seen for much of the past year. This is a clear reversal from the period between 2021 and 2024, when job loss expectations were much more favorable for college graduates than for less-educated consumers, consistent with historical patterns in which unemployment is lower for workers with more education. These differences by education are also seen in expectations for aggregate unemployment. Over the past year, college-educated consumers have been more likely to expect rising unemployment than less-educated consumers; the same patterns hold for comparisons by income. As a whole, nearly two-thirds of consumers expect unemployment to rise in the year ahead, unchanged from last month.

These trends reflect a broad softening of views of labor markets that is particularly stark for higher-educated, higher-income consumers. That said, income expectations for the year ahead remain stronger for higher-income consumers—albeit at lower readings than both last month and a year ago—than middle- and lower-income consumers. Moreover, some (but not all) higher-income consumers have large stock portfolios and are buoyed by soaring asset values. Still, signs of weakness among higher-income consumers call into question how sustainable robust spending among this group may be.

	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan Prelim
Index of Consumer Sentiment	71.7	64.7	57.0	52.2	52.2	60.7	61.7	58.2	55.1	53.6	51.0	52.9	54.0
Current Economic Conditions	75.1	65.7	63.8	59.8	58.9	64.8	68.0	61.7	60.4	58.6	51.1	50.4	52.4
Index of Consumer Expectations	69.5	64.0	52.6	47.3	47.9	58.1	57.7	55.9	51.7	50.3	51.0	54.6	55.0
Index Components													
Personal Finances - Current	87	82	74	71	67	78	83	77	76	78	66	68	72
Personal Finances - Expected	109	99	86	78	79	94	91	91	86	82	85	93	90
Economic Outlook - 12 Months	81	73	56	48	50	63	66	61	57	57	56	59	61
Economic Outlook - 5 Years	88	83	66	60	60	74	72	70	62	59	61	64	67
Buying Conditions - Durables	106	86	89	82	83	88	91	80	78	72	64	60	62