

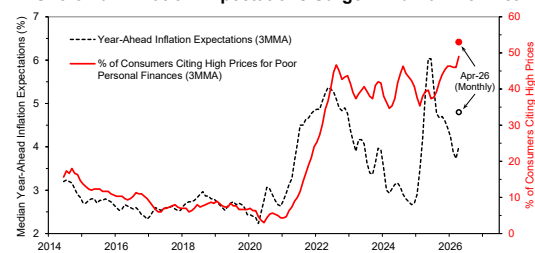
Preliminary results from the April 2026 survey

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Consumer sentiment sank about 11% this month, extending a decline that began with the start of the Iran conflict, and is currently about 9% below a year ago. Demographic groups across age, income, and political party all posted setbacks in sentiment, as did every component of the index, reflecting the widespread nature of this month's fall. One-year expected business conditions plunged about 20% and is now 6% below last April. Assessments of personal finances declined about 11%, with consumers expressing a substantial increase in concerns over high prices and weaker asset values. Buying conditions for durables and vehicles worsened, again on the basis of high prices. Open ended comments show that many consumers blame the Iran conflict for unfavorable changes to the economy. Note that 98% of interviews were completed prior to the April 7th announcement of a temporary cease-fire. Economic expectations will likely improve after consumers gain confidence that the supply disruptions stemming from the Iran conflict have ended and gas prices have moderated.

High Price Concerns for Personal Finances and Short-Run Inflation Expectations Surge Amid Iran Conflict



Year-ahead inflation expectations surged from 3.8% in March to 4.8% this month, the largest one-month increase since April 2025 (see chart, black dashed line and black circle). The current reading exceeds those seen in 2024 and remains well above the 2.3-3.0% range seen in the two years pre-pandemic. Long-run inflation expectations ticked up from 3.2% last month to 3.4% this month, the highest reading since November 2025. In 2024, values ranged between 2.8% and 3.2%, while in 2019 and 2020, they were consistently below 2.8%.

Assessments of current personal finances fell for the second straight month and is now 7% below a year ago. About 54% of consumers spontaneously mentioned that high prices were eroding their personal finances, up from 47% last month and 38% a year ago (see chart, red solid line and red dot). Gas prices were mentioned spontaneously at some point in the interviews by about one-third of consumers, double the share seen last month.

Looking ahead, gasoline inflation expectations remain notably elevated over both short and long time horizons. At the same time, trends by political affiliation show some divergence. This month, independents exhibited particularly large increases in expectations, and those of Democrats rose as well. In contrast, expectations for Republicans declined this month; in fact, they expect gas prices to fall over the next year as well as the next five years. This is likely a reflection of a belief among these consumers that the supply constraints generated by the military conflict in the Middle East will lift relatively quickly.

Labor market expectations fell this month, but various indicators generally remain within the range seen over the past year. About 68% of consumers expect unemployment to rise in the year ahead, up from 61% last month but comparable to November 2025. Nominal income expectations weakened just a touch, while the probability of losing one's own job decreased. Overall, in contrast to views of business conditions and inflation, consumer views of labor markets do not appear to have further degraded following the start of the Iran conflict. Consumers were asked whether inflation or unemployment will cause greater economic hardship for people in the year ahead; the share of consumers reporting unemployment has fallen for three straight months. This month, inflation was selected by twice as many consumers as unemployment. Accordingly, only 20% of consumers expect interest rates to fall in the year ahead, the lowest since November 2023.

	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr Prelim
Index of Consumer Sentiment	52.2	52.2	60.7	61.7	58.2	55.1	53.6	51.0	52.9	56.4	56.6	53.3	47.6
Current Economic Conditions	59.8	58.9	64.8	68.0	61.7	60.4	58.6	51.1	50.4	55.4	56.6	55.8	50.1
Index of Consumer Expectations	47.3	47.9	58.1	57.7	55.9	51.7	50.3	51.0	54.6	57.0	56.6	51.7	46.1
Index Components													
Personal Finances - Current	71	67	78	83	77	76	78	66	68	74	77	74	66
Personal Finances - Expected	78	79	94	91	91	86	82	85	93	95	93	84	78
Economic Outlook - 12 Months	48	50	63	66	61	57	57	56	59	63	65	56	45
Economic Outlook - 5 Years	60	60	74	72	70	62	59	61	64	68	66	64	59
Buying Conditions - Durables	82	83	88	91	80	78	72	64	60	67	67	68	61