



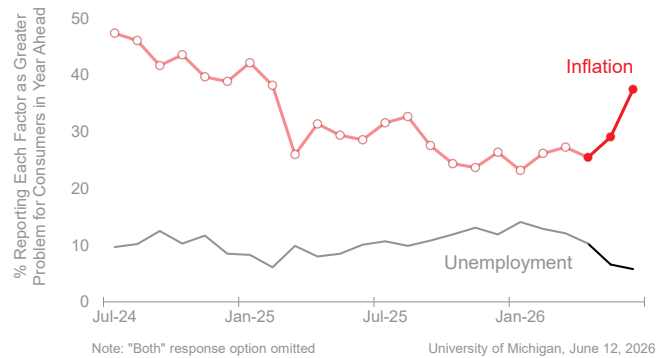
**Preliminary results from the June 2026 survey**

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This month, consumer sentiment ticked up about four index points, or 9%, with consumers experiencing some relief due to the early-month easing in gasoline prices. This measured improvement in sentiment was widespread, seen across age, education, and political party. Lower-income consumers exhibited a particularly strong sentiment increase, consistent with the fact that gasoline comprises a larger share of their budgets. Overall, assessments and expectations of personal finances and business conditions all rose this month. Even with June’s early gains, however, views of the economy are still relatively dour. Sentiment is currently 13% below January 2026 and 19% below a year ago, as consumers remain focused on kitchen table issues. They feel burdened by the recent escalation in inflation and worry that higher inflation could remain stubborn going forward, particularly in the short run. Interviews for this release were completed between May 19 and June 8.

**As Iran Conflict Continues, Inflation Increasingly Seen as Greater Risk to Consumers than Unemployment**



Year-ahead inflation expectations inched down from 4.8% in May to a still-elevated 4.6% this month. The current reading substantially exceeds the 3.4% reading seen in February 2026 prior to the start of the Iran conflict, along with all 2024 readings. Long-run inflation expectations fell back from 3.9% last month to 3.4% in June, remaining notably higher than the 2.8% to 3.2% range seen in 2024.

Expectations for gas price changes, particularly in the short-run, also eased to an extent from last month but remain substantially higher than the beginning of 2026. Despite the mild reprieve, elevated gas prices remain highly salient to consumers. About 47% of consumers provided unsolicited comments about gasoline, up from 37% last month. Those who mentioned gasoline reported sentiment readings that were about 26 index points below consumers who did not. Thus, the current level of gas prices continues to be broadly unacceptable to consumers and dampens their views of the economy.

Consumers continue to express frustration about the persistence of high prices more generally. About 57% of consumers spontaneously mentioned that high prices were eroding their personal finances, unchanged from last month and up from 36% a year ago. Moreover, in the past two months, a sharply rising share of consumers reported that inflation will pose greater risks to consumers in the year ahead than unemployment (see chart, red line). At the start of the year, 23% reported that inflation would be the greater challenge, 14% chose unemployment; the remainder said both equally. This month, however, a substantial 38% now chose inflation—the highest since February 2025—while only 6% reported unemployment.

Consistent with these beliefs, a 47% plurality of consumers expect interest rates to rise in the year ahead, up from just 25% in February prior to the start of the Iran conflict, and now currently the highest reading since 2023. Recent month-to-month volatility in long-run inflation expectations suggests that consumers are uncertain about the extent to which ongoing geopolitical conflict, supply disruptions, and price pressures will pass through to long-run inflation.

	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun Prelim
Index of Consumer Sentiment	60.7	61.7	58.2	55.1	53.6	51.0	52.9	56.4	56.6	53.3	49.8	44.8	48.9
Current Economic Conditions	64.8	68.0	61.7	60.4	58.6	51.1	50.4	55.4	56.6	55.8	52.5	45.8	48.4
Index of Consumer Expectations	58.1	57.7	55.9	51.7	50.3	51.0	54.6	57.0	56.6	51.7	48.1	44.1	49.3
Index Components													
Personal Finances - Current	78	83	77	76	78	66	68	74	77	74	67	58	64
Personal Finances - Expected	94	91	91	86	82	85	93	95	93	84	80	73	82
Economic Outlook - 12 Months	63	66	61	57	57	56	59	63	65	56	48	45	48
Economic Outlook - 5 Years	74	72	70	62	59	61	64	68	66	64	61	56	64
Buying Conditions - Durables	88	91	80	78	72	64	60	67	67	68	66	58	59