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June 2026 survey results June 26, 2026

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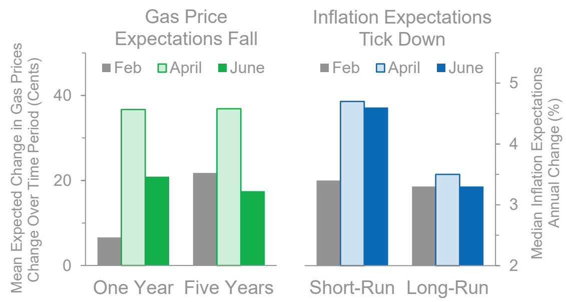
June Long-Run Expectations Comparable to Pre-Iran Conflict While Short Run Expectations Remain Worse



Consumer sentiment confirmed its early-month reading, rising about 10% above May as gas prices moderated. Increases were seen across income, wealth, and political affiliation. Expected business conditions over the next five years surged 16% as consumers' worries over long-term consequences of the Iran conflict appear to be easing. Still, sentiment remains in unfavorable territory at 13% below the February 2026 reading prior to the start of the Iran conflict, and nearly 20% less than a year ago. The cost of living remains at the forefront of consumers' minds; for the third straight month, over half of consumers spontaneously mentioned that high prices are weighing down their personal finances.

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 before the Iran conflict began, along with all 2024 readings. Long-run inflation expectations fell back from 3.9% last month to 3.3% in June, remaining a bit higher than the 2.8% to 3.2% range seen in 2024.

Expectations over inflation, gas prices, business conditions, and personal finances all improved this month for both short and long time horizons. For the most part, short-run expectations are generally still worse than they were prior to the start of the Iran conflict. On average, consumers currently expect gas prices to rise by about 20 cents during the next year, down from nearly 40 cents expected in April and May but still more than double the 7 cents seen in February. Year-ahead expected personal finances are currently 10% below February 2026, while business conditions are 22% below that month. In contrast, long run expectations for all domains are now comparable to or more favorable than February readings. This suggests that consumers believe that the anticipated deterioration in economic conditions following the start of the Iran war is likely to be limited to the short run. Note, though, that long-run expectations in February were generally far worse than their historical averages, with the exception of long-run gas price expectations.

Wealth gaps in sentiment have been near historic highs over the past year, in large part due to soaring stock markets that primarily support the sentiment of those with substantial portfolios. About 28% of consumers with the highest tercile of stock holdings mentioned the favorability of asset values for their personal finances, the highest share seen since January 2025. In contrast, this factor was only cited by 8% of those with the middle tercile of stock holdings, and 4% of those with the lowest stock holdings.

Recent stock market performance has been driven largely by beliefs about AI in the economy. A small but growing share of consumers spontaneously mentioned AI during interviews, from 2% a year ago to about 11% this month. (In comparison, a much larger 25% provided unprompted comments about tariffs this month). Some comments on AI were favorable, like references to increased productivity and stock values. Many others pointed to downside risks to labor markets and negative externalities from data centers. Overall, consumers who did and did not mention AI have similar views of current conditions. However, the expectations index was about 10 points lower for those mentioning AI than those who did not.

	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 2026
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	49.5
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	47.7
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	50.7
Index Components													
Personal Finances - Current	78	83	77	76	78	66	68	74	77	74	67	58	63
Personal Finances - Expected	94	91	91	86	82	85	93	95	93	84	80	73	84
Economic Outlook - 12 Months	63	66	61	57	57	56	59	63	65	56	48	45	51
Economic Outlook - 5 Years	74	72	70	62	59	61	64	68	66	64	61	56	65
Buying Conditions - Durables	88	91	80	78	72	64	60	67	67	68	66	58	58