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July 2026 survey results July 31, 2026

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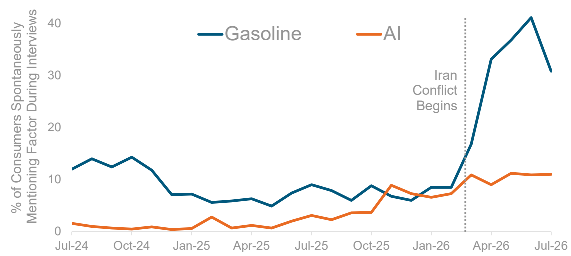
Consumer sentiment confirmed its early-month reading, landing almost 12% above June. Broad-based improvements were seen across all groups by income, education, wealth, age, and political party. Five-year expected business conditions reached a 12-month high, though it remains well under its historical average. Despite recent gains, sentiment is 11% below a year ago, reflecting a generally somber view of the economy amid five years of elevated inflation and persistent high prices. Consumers remain focused on pocketbook issues like purchasing power, while political or military developments remain more in the background. Interviews for this release spanned June 23 to July 27.

Growth in Consumer Mentions of AI's Influence on Economy Far Exceeded by Recent Surge of Gasoline References



Year-ahead inflation expectations ticked down from 4.6% in June to a still-elevated 4.2% this month. The current reading substantially exceeds the 3.4% seen in February before the Iran conflict began, along with all 2024 readings. Long-run inflation expectations held steady from last month at 3.3%, remaining a bit higher than the 2.8% to 3.2% range seen in 2024.

This month, about half of consumers spontaneously mentioned that their personal finances were weighed down by high prices, ticking down from the extremely high 56% seen last month. From a historical perspective, this measure has stood consistently elevated for years at an average reading of 41% since 2022, compared to an average of 7% in 2019. High prices have unambiguously remained the most important issue for consumers' personal finances since October 2021. Heightened concerns have been visible across demographic groups, though they are somewhat muted among the wealthiest consumers, the group generating the lion's share of aggregate spending.

Despite the uptick in gasoline prices seen in much of July, by the close of interviewing gas prices were still below peaks seen in May. As seen in the chart, unsolicited references to gasoline prices surged following the start of the Iran conflict and eased a touch in July (blue line). The share of consumers spontaneously mentioning gasoline during the interviews fell from 41% last month to still-substantial 31% in July. Since the start of the Iran conflict, consumers mentioning gasoline prices have reported much lower levels of sentiment and higher inflation expectations than those who did not. Over the last four months, sentiment of consumers mentioning gas prices has come in below that of other consumers by an average of more than 20 index points.

Artificial intelligence has emerged as another salient factor for consumers. For three consecutive months, at least 10% of consumers spontaneously mentioned AI at some point during the interviews, growing steadily more than ten-fold from January 2025 (see chart, orange line). AI was generally mentioned in the context of news heard about the economy, with a mix of consumers citing AI's positive effects on productivity and efficiency, negative effects on labor markets, and negative externalities from data centers. While the balance of comments have been negative on net, sentiment gaps between those mentioning and those not mentioning AI are relatively small, with no consistent pattern for differences in inflation expectations. At this time, AI's prominence with consumers lags far behind gasoline prices, which are generally cited in the context of consumers' direct personal experiences.

	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026
Index of Consumer Sentiment	61.7	58.2	55.1	53.6	51.0	52.9	56.4	56.6	53.3	49.8	44.8	49.5	55.2
Current Economic Conditions	68.0	61.7	60.4	58.6	51.1	50.4	55.4	56.6	55.8	52.5	45.8	47.7	54.8
Index of Consumer Expectations	57.7	55.9	51.7	50.3	51.0	54.6	57.0	56.6	51.7	48.1	44.1	50.7	55.4
Index Components													
Personal Finances - Current	83	77	76	78	66	68	74	77	74	67	58	63	70
Personal Finances - Expected	91	91	86	82	85	93	95	93	84	80	73	84	88
Economic Outlook - 12 Months	66	61	57	57	56	59	63	65	56	48	45	51	61
Economic Outlook - 5 Years	72	70	62	59	61	64	68	66	64	61	56	65	71
Buying Conditions - Durables	91	80	78	72	64	60	67	67	68	66	58	58	69