surveys of consumers UNIVERSITY OF MICHIGAN

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October 2026 survey results

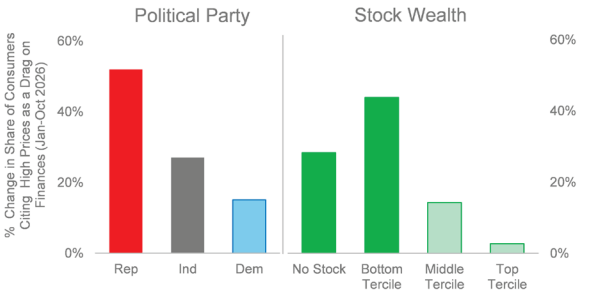
October 23, 2026

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Consumer sentiment held steady this month, registering a scant one-tenth of an index point below September. Increases in sentiment among Republicans and Democrats were balanced by declines among independents. While year-ahead business conditions improved about 14%, they stand 16% less than last October's read. This month's decline in the Current Conditions subindex was driven entirely by buying conditions for durables, which plunged 18% on the basis of higher interest rates and rising concerns about the affordability of such purchases. Purchasing power continues to dominate consumer views of the economy. Sentiment is now 10% below a year ago and 15% less than February, just prior to the Iran conflict.

Pain of High Prices Escalates Since Jan 2026

Strong Upswing in Concerns Among Republicans, Independents, and Less Wealthy



Year-ahead inflation expectations ticked up from 4.6% last month to 4.7% 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 also stepped up from 3.4% in September to 3.5%, notably higher than their 2024 range of 2.8% to 3.2%. Inflation expectations over both time horizons increased for the second straight month to their highest readings since May. See today's special report for additional historical context for long-run inflation expectations.

Consumers are in broad agreement that risks to inflation have risen since the start of the Iran conflict. Republicans, Democrats, and independents have all reported increases in year-ahead inflation expectations since February, up 2.0, 0.4 and 1.1 percentage points respectively since February, prior to the start of the Iran conflict. Long-run expectations for independents are up a full percentage point over this period, compared with a 0.5 pp increase for Republicans and 0.1 pp decline for Democrats. Moreover, consumers of all political persuasions agree that inflation is overwhelmingly the greater risk to the economy in the year ahead than unemployment.

Frustration over high prices eroding consumers' living standards continues to mount. For the fourth straight month, an increasing share of consumers spontaneously mentioned that high prices are dragging down their personal finances, at 56% this month, compared with 45% in January of this year. As seen in the chart, these increases are seen across the political spectrum, with Republicans exhibiting the largest proportional rise. In contrast, the wealthiest consumers report little change in the burden of high prices since January. Gasoline prices remain highly salient this month, mentioned unprompted by over 40% of respondents.

Consumers have already taken note of rising interest rates. Homebuying conditions plunged, with 85% of consumers indicating that it is a bad time to buy a house. About 62% blamed high interest rates, up from 47% last month. Price concerns moderated slightly but remained pervasive, mentioned by 42% of consumers, down from 47% two months ago. For auto buying conditions, interest rate concerns increased from 18% last month to 24% this month, though they still lag behind high price concerns, cited by 39% of consumers. That said, there was little change in mentions of interest rates in a personal finance context. About 69% of consumers expect interest rates to rise in the year ahead, the highest since April 2023.

	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026	Oct 2026
Index of Consumer Sentiment	53.6	51.0	52.9	56.4	56.6	53.3	49.8	44.8	49.5	55.2	51.7	48.1	48.0
Current Economic Conditions	58.6	51.1	50.4	55.4	56.6	55.8	52.5	45.8	47.7	54.8	51.9	50.9	46.7
Index of Consumer Expectations	50.3	51.0	54.6	57.0	56.6	51.7	48.1	44.1	50.7	55.4	51.5	46.3	48.8
Index Components													
Personal Finances - Current	78	66	68	74	77	74	67	58	63	70	67	61	62
Personal Finances - Expected	82	85	93	95	93	84	80	73	84	88	86	77	81
Economic Outlook - 12 Months	57	56	59	63	65	56	48	45	51	61	55	42	48
Economic Outlook - 5 Years	59	61	64	68	66	64	61	56	65	71	62	63	64
Buying Conditions - Durables	72	64	60	67	67	68	66	58	58	69	65	68	56

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