



Consumers' Confidence in the Economy Drops 7 Percent in September

What makes [the report from the Conference Board that was released this morning](#) so unnerving, especially for supporters of Kamala Harris, is that it is based on the opinions of more than 36 million unhappy American consumers.

The Present Situation Index fell an astonishing seven percent last month — from 105.6 in August to 98.7 in September — the lowest level in three years. Their Expectations Index took a nosedive too, falling from 134.6 in August to 124.3 in September. Their outlook for jobs and the overall economy is equally bleak: The short-term outlook dropped by almost five points since August, to 81.7 (barely above 80, the level that signals a recession).



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There was no way for the board to put a happy face on this bad news. Said Dana Peterson, the board's chief economist:

Consumer confidence dropped in September to near the bottom of the narrow range that has prevailed over the past two years. September's decline was the largest since August 2021 and all five components of the Index deteriorated.

Consumers' assessments of current business conditions turned negative while views of the current labor market situation softened further. Consumers were also more pessimistic about future labor market conditions and less positive about future business conditions and future income....

Confidence declined in September across most income groups, with consumers earning less than \$50K experiencing the largest decrease....

The deterioration across the Index's main components likely reflected consumers concerns about the labor market and reactions to fewer hours, slower payroll increases, fewer job openings.

The Details

- Consumers' assessments of current business conditions turned negative in September;
- Their appraisal of the health of the labor market deteriorated in September;
- Expectations over the next six months also fell in September;
- The labor market outlook fell in September;



Written by [Bob Adelman](#) on September 24, 2024

- Income prospects fell in September;
- Assessments of their personal and family financial situation weakened further in September; and
- Future expectations about their personal and financial situation “remained well below the level touched in May 2020,” when America was coming out of the Covid lockdowns, according to the Conference Board.

Too Little, Too Late

The Federal Reserve’s move last week to reduce interest rates by a measly half a percentage point was late, as usual, and likely insufficient to reverse the economy’s course before the November election. Earlier this month, David Rosenberg, author of his “indicator of indicators,” reported that “[half] of the recession indicators we track have been triggered. Going back to 1999, that’s never happened without a recession occurring.”

The manufacturing sector is shrinking, thanks to the decline in new orders, which are at the lowest level in two years. Factory utilization is at the lowest level since the government shutdown in May 2020. The manufacturing index is now in its fifth consecutive month of decline.

The Economic Optimism Index, reported by *Investor’s Business Daily*, has been in negative territory for 37 months. Four out of five consumers have repeatedly expressed increasing worries about inflation and the economic slowdown. Bankruptcy filings have increased by 40 percent in the last year. Restaurant chains are filing for bankruptcy.

Consumers are increasingly hard-pressed to pay their bills on time, even in “prosperous” states such as Florida and Texas. And more than 136,000 tech-sector employees have been “downsized” and are now out of work just since the first of the year.

This bodes ill for the Harris-Walz campaign, which has strangely adopted the “joy” strategy in its quest to capture the White House. The Census Bureau reported that most American families have given back all of the gains they enjoyed under the Trump administration.

To cap it all off, RealClearPolling shows that more than six out of 10 Americans think the country is headed in the wrong direction. All the Conference Board did with its latest report is confirm it.

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