Consumer Confidence Increases Slightly But Is Still Lower Than It Has Been for Much of 2021

WASHINGTON, DC - The Refinitiv/Ipsos Primary Consumer Sentiment Index for December 2021 is at 56.5. Fielded from November 19 - December 3, 2021, this month’s index marks a significant increase from November.

The Consumer Sentiment Index increases 2.9 points from last month and is now 6 points below its June reading (62.5), its highest of 2021. All sub-indices increase from last month, partially reversing drops from last month. However, all sub-indices remain below their October readings.

The Current Index gains 4.2 points and now reads at 49.4. This comes close to reversing last month’s 4.8-point drop. This index remains below its peak from June (56.1), but is now 12.2 points higher than where it was in December 2020.

The Investment Index, at 51.3, rises by 3.8 points from November. This month’s reading remains much lower than its 2021 high point from May (57.7), but it now reads 10 points higher than it did at this point last year.

The Expectations Index increases by a slight 1.1 points from last month and now reads at 61.6. Expectations remain lower than they have been for much of the year, and the sub-index is only slightly higher than it was in December of 2020 (60.4).

The Jobs Index (67.7) increases 2.7 points from last month. Despite this slight increase, this month’s reading remains lower than where it was in early autumn. This sub-index stands at 12.7 points higher than it did in December of 2020 (55).

"This month’s Refinitiv/Ipsos Primary Consumer Sentiment Index sees a slight increase as Americans feel as if they may soon be able to move on from the pandemic surge caused by the Delta variant," Chris Jackson of Ipsos states. "However, while each of the sub-indices increased, they remain below where they have been for much of the year, suggesting that consumers are still cautious in the face of inflation and the new Omicron variant."

Jharonne Martis, Director of Consumer Research at Refinitiv, said, "Despite higher inflationary prices and less discounting, merchandise is flying off the shelves. The Refinitiv Retail/Restaurant Index is expected to see a robust 7.5% growth for Q4 2021."

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The PCSI Current Index currently reads at 49.4. This sub-index, with a 4.2-point rise, sees the biggest increase across all the sub-indices this month. This month’s increase almost reverses last month’s 4.8-point drop. The index remains 6.7 points below its June 2021 peak (56.1), but it is now 12.2 points higher than where it stood a year ago in December 2020 (37.2).

The PCSI Expectations Index increases by just 1.1 points, and now reads at 61.6. Despite this slight increase, the Expectations Index remains lower than where it has stood for most of 2021 and sits 7.8 points below its peak in June (69.4). This month’s reading is only a slight 1.2 points higher than where it stood last year in December 2020 (60.4).

This month, the PCSI Investment Index reads at 51.3, reversing its recent decline with a 3.8-point increase from November. This index remains 6.4 points below its 2021 peak in May (57.7) and is now almost on par with where it stood in October (51.8). This month’s increase results in the Investment Index now reading 10.1 points higher than it did at this point last year in December 2020 (41.2).

The PCSI Jobs Index increases 2.7 points from November and now reads at 67.7. Despite this increase, this sub-index remains slightly lower than where it stood in early autumn. Though this month’s reading is among the lower readings for the Jobs Index since the spring, it is 12.7 points higher than it was a year ago in December 2020 (55).