



## October Consumer Confidence Report: Consumer Confidence Holds Steady Amid a Data Vacuum

### Anecdotes Provide Some Guidance

- ▲ The Conference Board’s Consumer Confidence Index® slipped 1.0 point in October to 94.6 (1985=100), essentially unchanged from September’s upwardly revised 95.6.
- ▲ The Present Situation Index rose 1.8 points to 129.3, while the Expectations Index declined 2.9 points to 71.5 — remaining below the key 80 threshold that historically signals recession risk.
- ▲ With most federal data releases delayed by the government shutdown, the Consumer Confidence report provides one of the few real-time signals on household sentiment and labor trends.
- ▲ Write-in comments continue to focus on prices, inflation, and the shutdown itself — though mentions of tariffs declined further.
- ▲ Views of the job market brightened modestly: 27.8% of consumers said jobs were “plentiful,” up from 26.9% in September.
- ▲ Inflation expectations edged up to 5.9%, while the share expecting higher interest rates rose to 52.8%

### Confidence Holds Ground as Data Remains Scarce

With much of the federal statistical system offline during the ongoing government shutdown, this month’s *Consumer Confidence* report carries unusual weight. In the absence of payroll, retail sales, and inflation updates, the Conference Board survey offers rare, consistent insight into how households perceive current and future conditions. Historically, shifts in its labor market components — particularly the “jobs plentiful” and “hard to get” series — have led changes in nonfarm payrolls by one to two months.

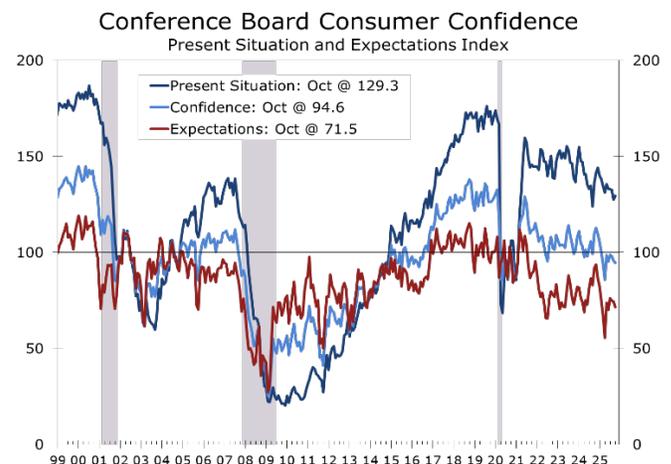
Mark P. Vitner, Chief Economist  
[mark.vitner@piedmontcrescentcapital.com](mailto:mark.vitner@piedmontcrescentcapital.com)  
 Chief Economist (704) 458-4000

The headline index dipped just one point to 94.6, from an upwardly revised September reading, with stronger views of current conditions offset by weaker expectations. The Present Situation Index gained 1.8 points to 129.3, while the Expectations Index fell nearly three points to 71.5. That measure has now been below 80 since February — a duration consistent with past pre-recession readings. On net, Consumer Confidence was slightly higher than was previously reported for September, despite falling 1 point from the revised reading.

***Confidence edged lower, but revisions point to stronger underlying sentiment.***

### Labor Sentiment Offers Early Clues

Consumers’ appraisal of the job market improved slightly for the first time since December 2024. The share calling jobs “plentiful” rose to 27.8%, while those calling jobs “hard to get” edged up to 18.4%. The resulting labor differential remains near 9 points — a level consistent with below-trend hiring and a modest uptick in unemployment.



Source: The Conference Board

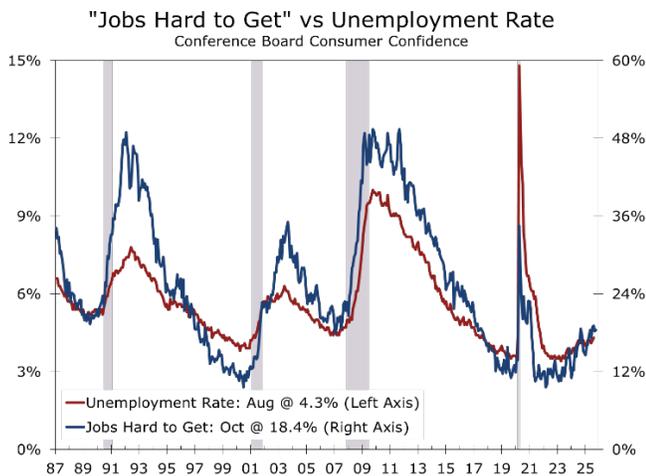


Given the survey’s strong track record as a leading indicator, the **October readings reinforce expectations that labor market conditions are continuing to cool**—most notably in lower-wage and entry-level positions. The latest official U.S. unemployment rate was 4.3% in August 2025, but with the ongoing government shutdown halting new data releases, recent estimates are limited. A model from the Federal Reserve Bank of Chicago pegs the October rate near 4.35%, and we anticipate the jobless rate will gradually rise toward 4.5% in the months ahead.

***Rising jobless expectations signal a softer market for lower-wage and entry-level workers.***

Consumers’ write-in responses again centered on inflation, which remains the most frequently mentioned concern, followed by the government shutdown and political uncertainty. References to tariffs declined further but remain elevated. Average 12-month inflation expectations edged up to 5.9%, and more than half of respondents expect higher interest rates ahead.

Confidence fell among younger consumers and lower-income households but improved for middle-aged respondents and those earning above \$75,000, especially at the top end of the income spectrum. By political affiliation, the Conference Board noted that confidence increased among Independents but slipped among Democrats and Republicans alike.



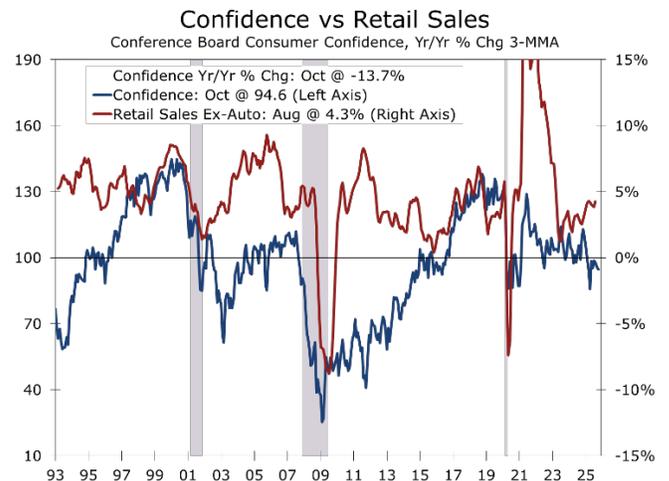
Source: The Conference Board & Bureau of Labor Statistics (BLS)

Spending continues to outperform confidence measures. Auto-buying plans rose in October, driven by used vehicles, while home-buying plans softened but remain higher on a six-month trend. Intentions for big-ticket items were steady, and service spending—especially on pet care, streaming, and vehicle maintenance—picked up again.

***Consumers remain cautious—but they’re still spending, prioritizing value and essentials.***

We expect holiday-related spending to rise about 4.8% this year, as shoppers chase promotions and value. Price sensitivity will define the season, though higher-end retailers should benefit from stronger income and asset gains among affluent households.

The Consumer Confidence Index remains one of the few real-time gauges during the data blackout. While it still leads shifts in hiring and unemployment, its link to spending has weakened as resilient services and wealth effects sustain consumption despite softer sentiment. Consumers are adapting, not retreating, trading down and delaying big purchases but still spending. For policymakers, the message is mixed: inflation expectations remain sticky, yet overall spending has not cracked.



Source: The Conference Board & Bureau of Census Bureau

Disclaimer: This publication has been prepared for **informational purposes only** and is not intended as a recommendation offer or solicitation with respect to the purchase or sale of any security or other financial product nor does it constitute investment advice.

