

Consumers Continued to Lack Confidence

Despite the slight up-tick in March to 26.0 from an all-time low of 25.3, it is clear that consumers are still quite troubled by both the current state of the U.S. economy as well as the near-term prospects. The labor differential continued to widen as the economy hemorrhaged jobs in the first quarter. Until this improves confidence will not.

Confidence & Expectations Edged Higher

- Confidence moved slightly higher, pushed up by increased expectations. The assessment of the present situation declined, offsetting some of the gains.
- Consumers remain wary of the economic outlook and continued to adjust spending plans accordingly. Plans to buy a car dropped for the second straight month and plans to buy a home also came off a recent up-tick.

Jobs, Jobs, Jobs

- Consumer confidence has shown a long-run correlation with conditions in the labor market, and with the economy having lost more jobs in this cycle since World War II it is no surprise that confidence remained at extremely depressed levels.
- Unfortunately, we do not expect that March was markedly better than January or February. We are looking for another 670,000 jobs lost when data are reported on Friday.

