

Consumer Confidence Tumbles Amid Torrent of Bad News

Consumer confidence fell the most ever, 23.4 points, to the lowest reading on record at 38.0. Consumers were faced with a stack of bad news on the economy and the credit markets in October and equity markets have tumbled about twenty-five percent on the month. Consumers certainly appear to think the sky is falling...

Confidence, Expectations & Present Situation Drop

- Confidence fell the most on record, with drops similar to those seen in October 1990 and April 1980. While the current reading may be an overreaction to the bad news in October, it does make clear that consumers understand that we have firmly moved into a recessionary environment and that this slowdown will be the worst in a generation.

Labor Markets Weakening Rapidly

- The labor differential continued to deteriorate as just 8.9 percent of consumers think jobs are "plentiful." We see the labor market deteriorating further this year and next, with the unemployment rate reaching eight percent by early 2010.
- With consumers so worried about the future of the U.S. economy, we expect a sharp slowdown in spending.

