

Economics Group

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Consumer Confidence Pulls Back in February

Driven by lower expectations of economic activity later this year, consumer confidence fell moderately in February to 78.1. Encouragingly, consumers' assessment of the labor market continues to improve.

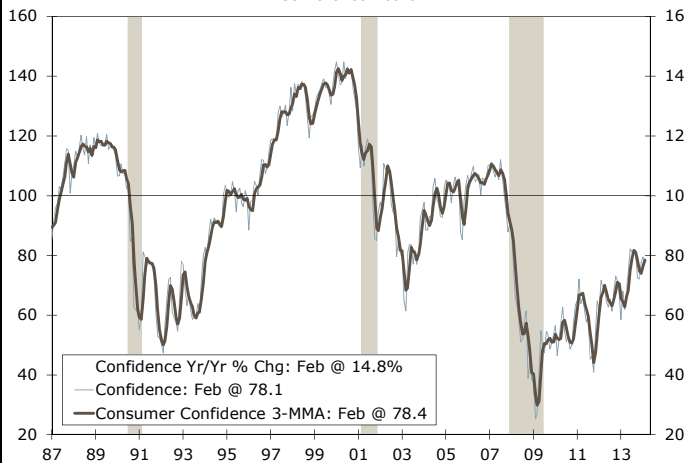
Lower Expectations Weigh on Confidence

- Taking into account the disappointing economic performance over the past two months, the expectations index dropped 5.1 points to 75.7 in February.
- In contrast, the weak data performance and harsh winter weather conditions this past month did not influence the current assessment of the U.S. economy, as the present situation index increased and stands at nearly a six-year high.

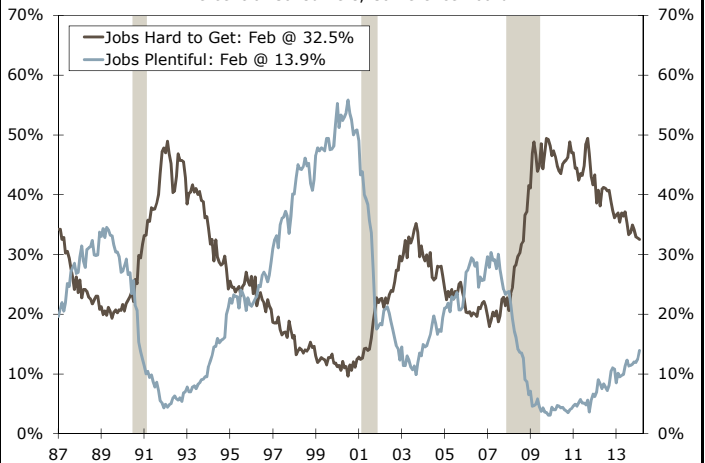
Labor Market Assessment Favorable For Hiring

- The labor market differential, jobs “plentiful” less “hard to get,” improved for the fourth straight month and stands at its best level since August 2008. This is an encouraging signal that the recent disappointing monthly hiring performance over the past couple of months is likely to rebound.
- Benefiting from valuation appreciation in homes and stocks, higher income households continue to lead gains in confidence.

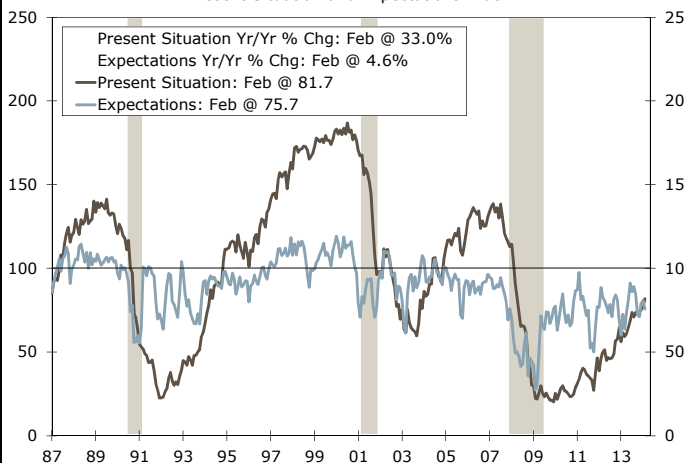
Consumer Confidence Index
 Conference Board



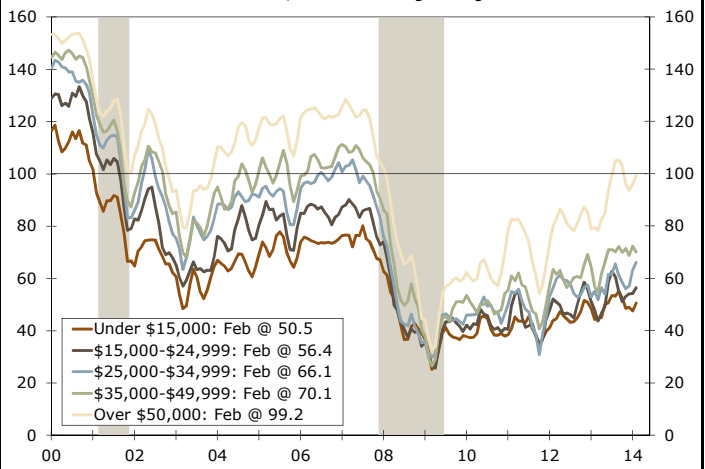
Jobs Plentiful vs. Hard to Get
 Percent of Consumers, Conference Board



Conference Board Consumer Confidence
 Present Situation and Expectations Index



Consumer Confidence by Household Income
 1985=100; 3-Month Moving Averages



Source: The Conference Board and Wells Fargo Securities, LLC

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