Allegheny Conference on Community Development

Regional Consumer Confidence Trend Analysis

December 2020

Background:

In collaboration with Schmidt Market Research and leveraging the Pittsburgh Speaks™ community of 5,000 Southwestern PA residents, the Allegheny Conference has tracked consumer confidence since the beginning of the regional outbreak of the COVID-19 pandemic in March 2020. The data has been collected in periodic waves, initially bi-weekly and later every three weeks.

This report synthesizes residents' sentiments toward the overall economy as well as toward their own personal economic situation.

Key Takeaways:

Consumer confidence in the **CURRENT** economy has dropped this month breaking the trend of the slow rise that has been happening since its lowest level in July.

Consumer confidence toward **employment**, **personal finances**, and **spending plans** has **declined significantly** since the end of October. Positive sentiments toward **spending plans** dropped the most (14 p.p.), followed by 11.5 p.p. confidence decline toward **personal finance**. Consumer confidence in in **employment situation** dropped by 10 p.p., resulting in only **17% of** the region's residents **feeling positive** about their continued **job prospects.**

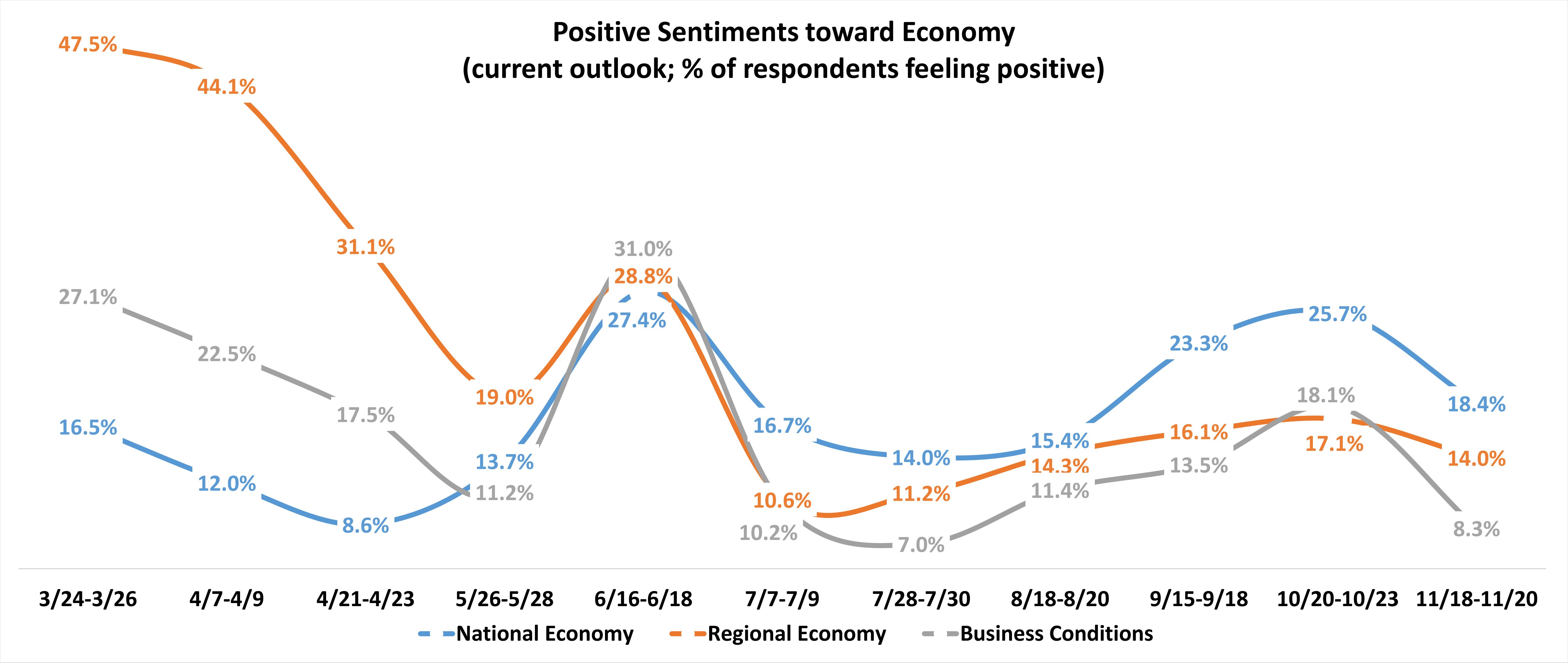
Positive sentiments toward the **LONG-TERM economic outlook** have remained mostly **stable** (close to 30%) and continue to trend at above early July levels.

Positive sentiments toward the **LONG-TERM personal economic situation** have declined significantly since the end of October. Consumer confidence in the 6 months outlook for **personal finances** dropped by **13 p.p**. and confidence in long-term **spending plans** dropped by **11 p.p.**

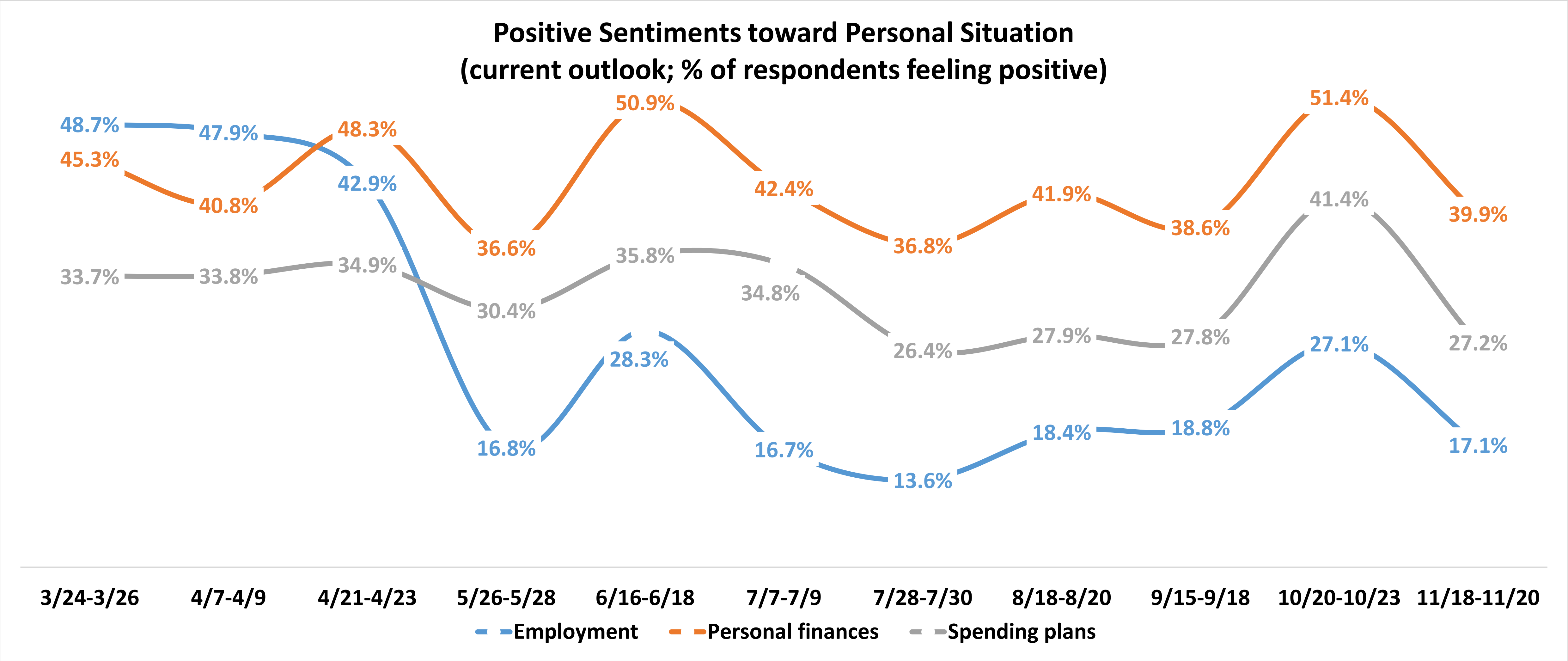
Special Topics included in Wave 12

- **Spending plans** continue to be affected by both the residents' **financial situation** and ongoing **restrictions of social activities.** About **41%** of holiday shoppers **plan on spending less** comparing to last year while only **2%** plans on spending **more;**
- Consumer willingness to participate in **COVID-19 vaccination** has increased since last month. The share of **people ready** to take the vaccine increased from **15% to 26%** while the share of people not ever planning to get vaccinated dropped from **17% to 16%;**
- Only **32%** of residents **plan on wearing masks** always while **13% do not plan on masking** very often during the holidays.

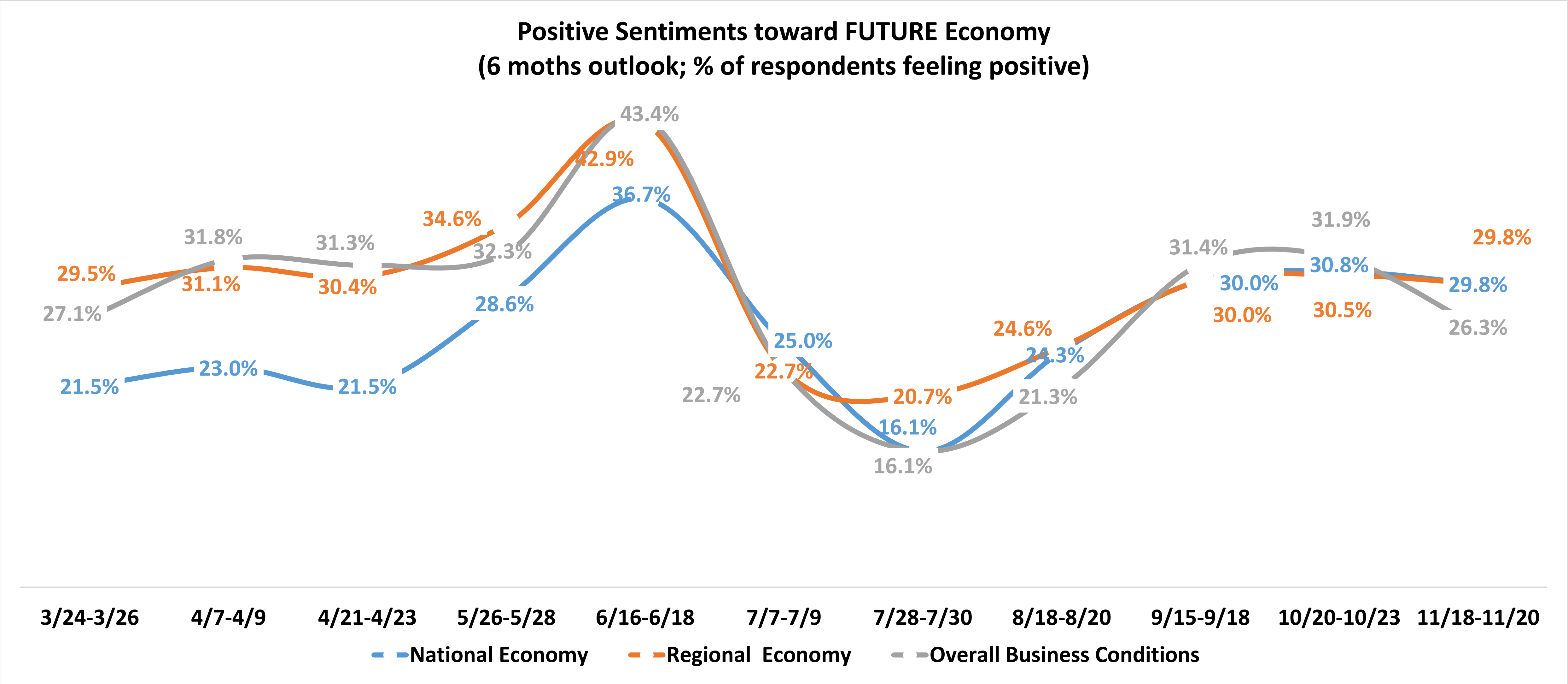
Consumer confidence in the **CURRENT economy and business conditions** has dropped this month compared to the gradual increase over the last couple of months. Positive sentiments toward both **national** and **regional economy** are **below 20%** after dropping 7 and 3 percentage points (p.p.), respectively. Sentiments toward **business conditions** declined the most (~10p.p.), only **8%** of the consumers **feel optimistic** about the current business climate.



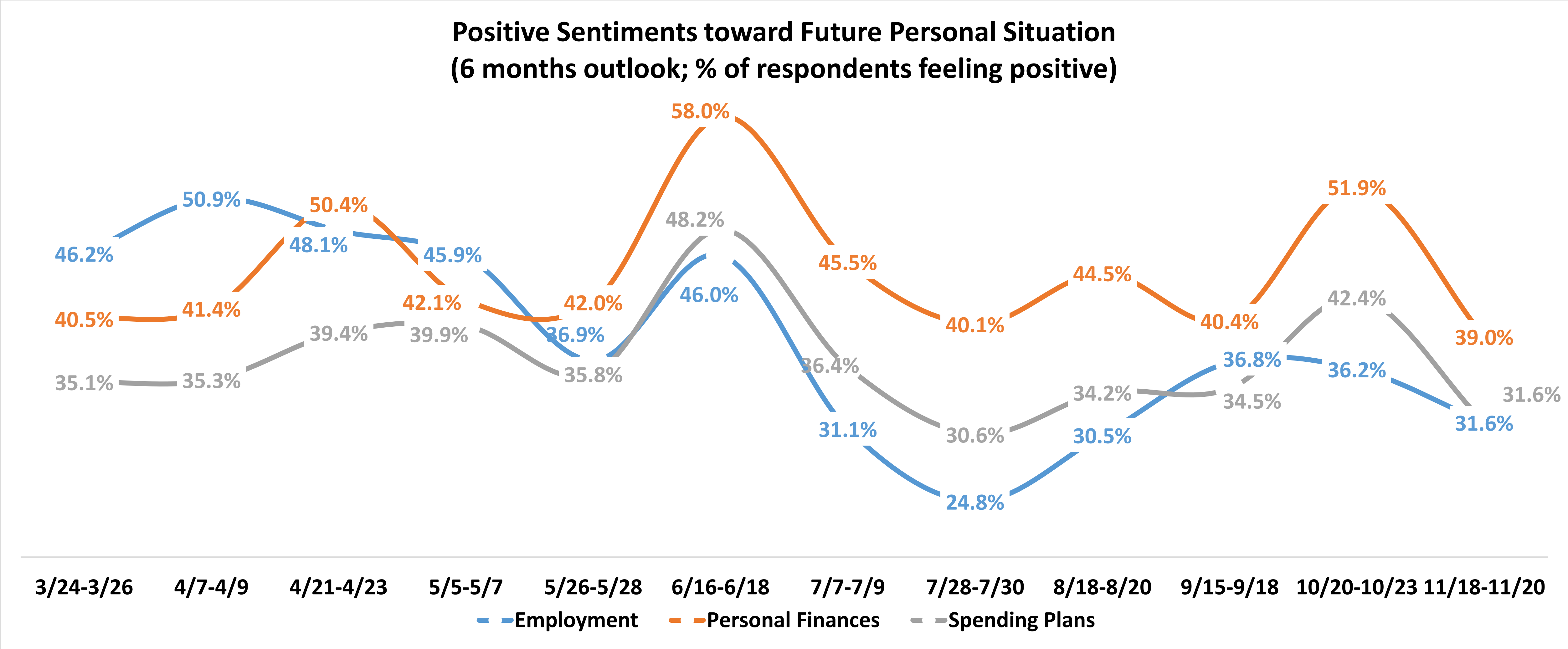
Consumer confidence toward **employment, personal finances**, and **spending plans** have **declined significantly** since the end of October. Positive sentiments toward **spending plans** dropped the most (14 p.p.), followed by 11.5 p.p. confidence decline toward **personal finance**. Consumers confidence in in **employment situation** dropped by 10 p.p., resulting in only **17% of** the region's residents **feeling positive** about their continued **job prospects.**



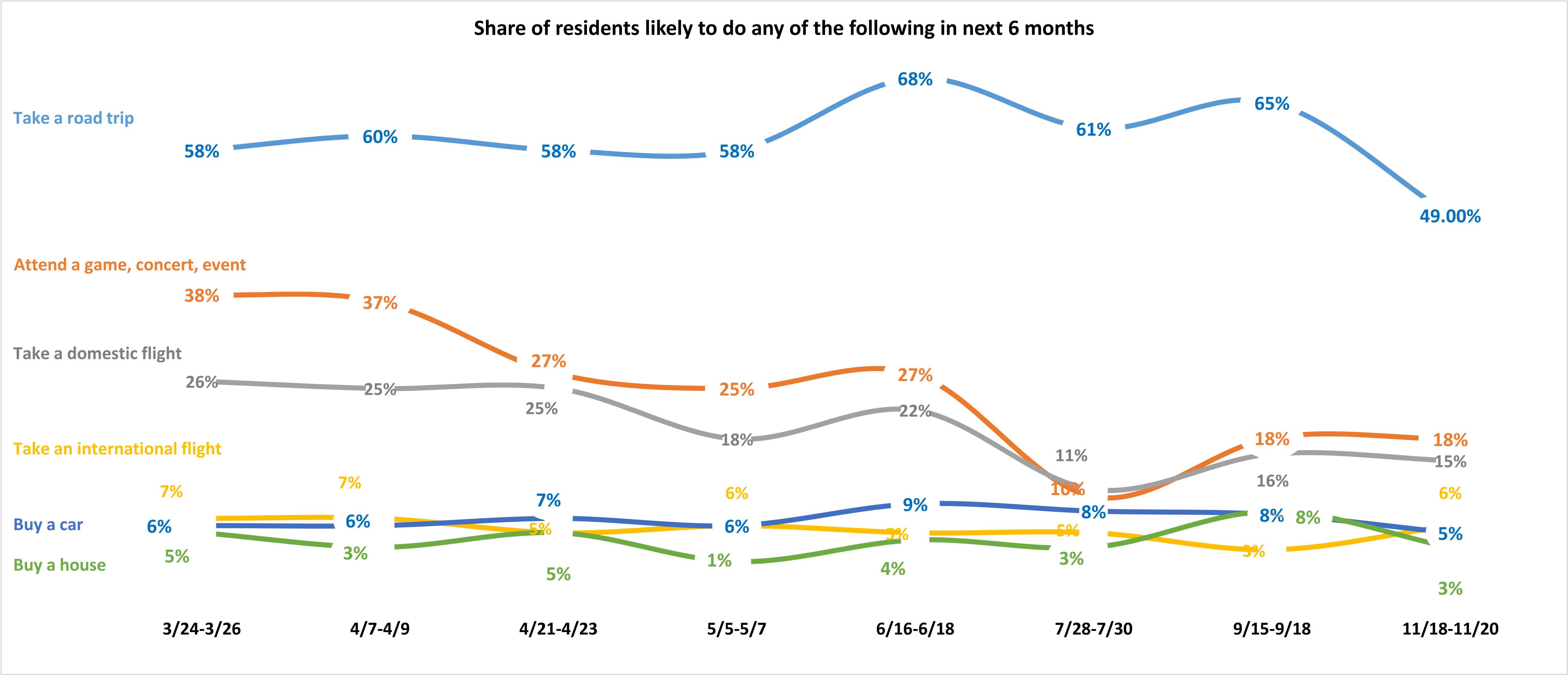
Positive sentiments toward the **LONG-TERM economic outlook** have remained mostly **stable** (close to 30%) and continue to trend at above early July levels. Consumer confidence in **overall business conditions** have dropped the most since the end of October **(~ 6 p.p.)** to the current **26%** and ranks the lowest among the three measures of long-term economic outlook.



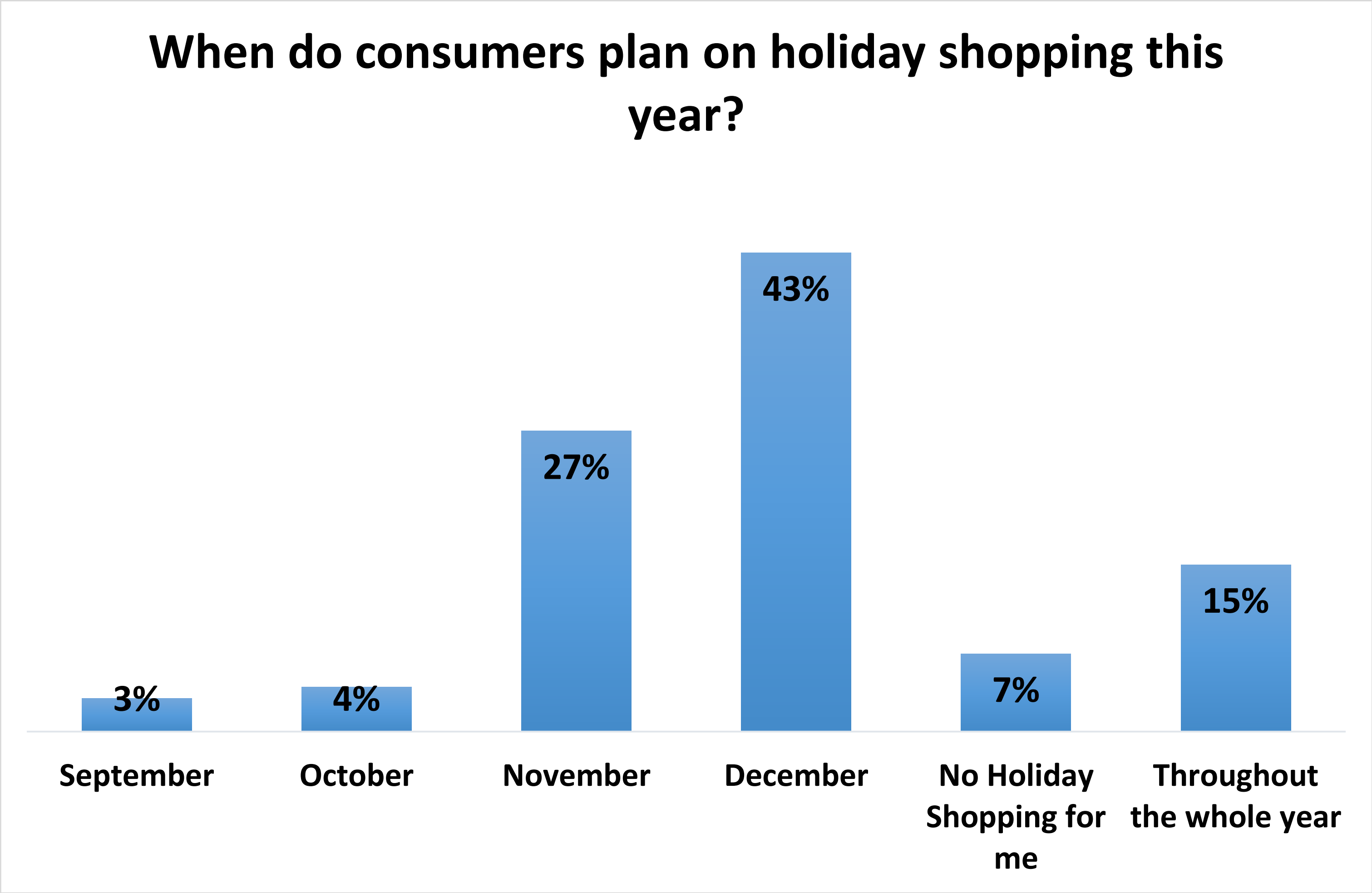
While consistently the highest, positive sentiments toward the **LONG-TERM personal economic situation** have declined significantly since the end of October. Consumer confidence in the 6 months outlook for **personal finances** dropped by **13 p.p**. and confidence in long-term **spending plans** dropped by **11 p.p.** Positive sentiments toward long-term **employment prospects** dropped by **5 p.p.**

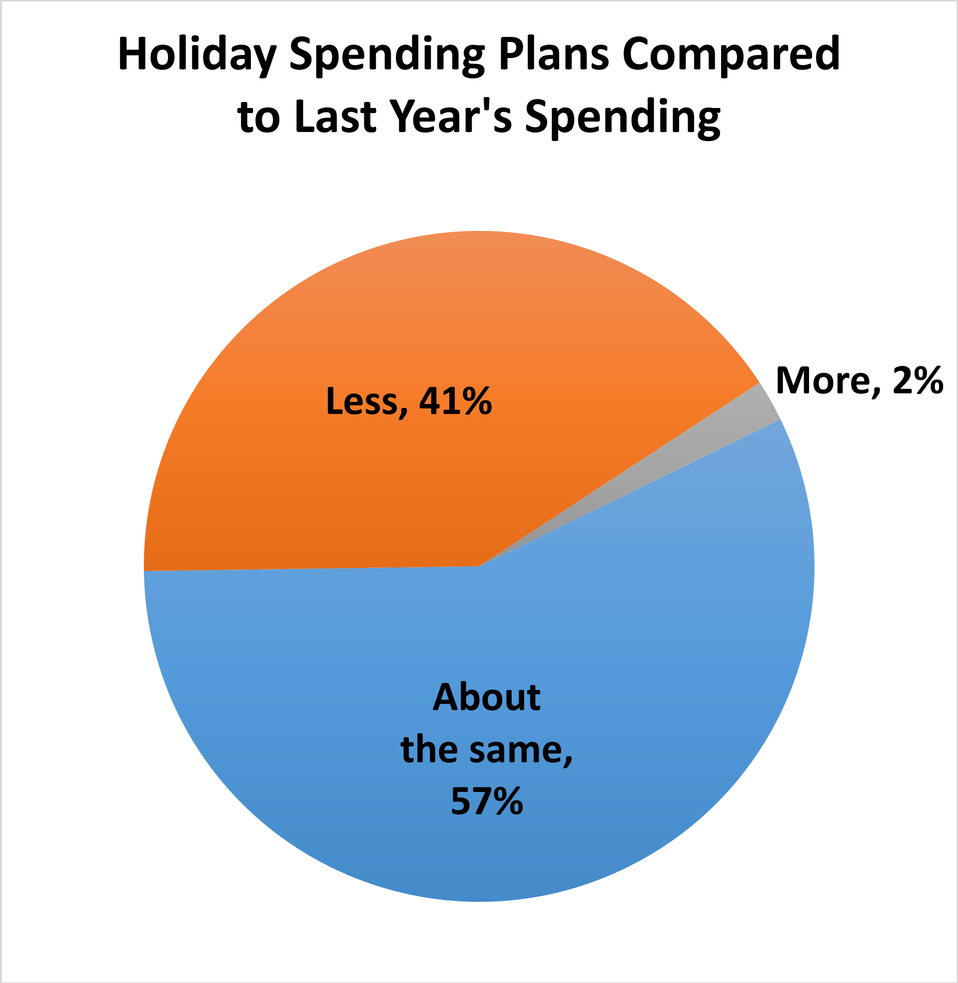


Spending plans continue to be affected by both the residents' **financial situation** and ongoing **restrictions of social activities**. Approximately half of residents**(49%)** are investing in a **road trip** while only **15%** are planning **domestic travels** and **6%** are planning **international travels**. While in March**, 38%** of residents were planning to **attend a game, concert or an event** over the next 6 months, only **18%** have **similar plans now**. About **5%** of residents are planning to **buy a car** and only 3% plan to **buy a house**.

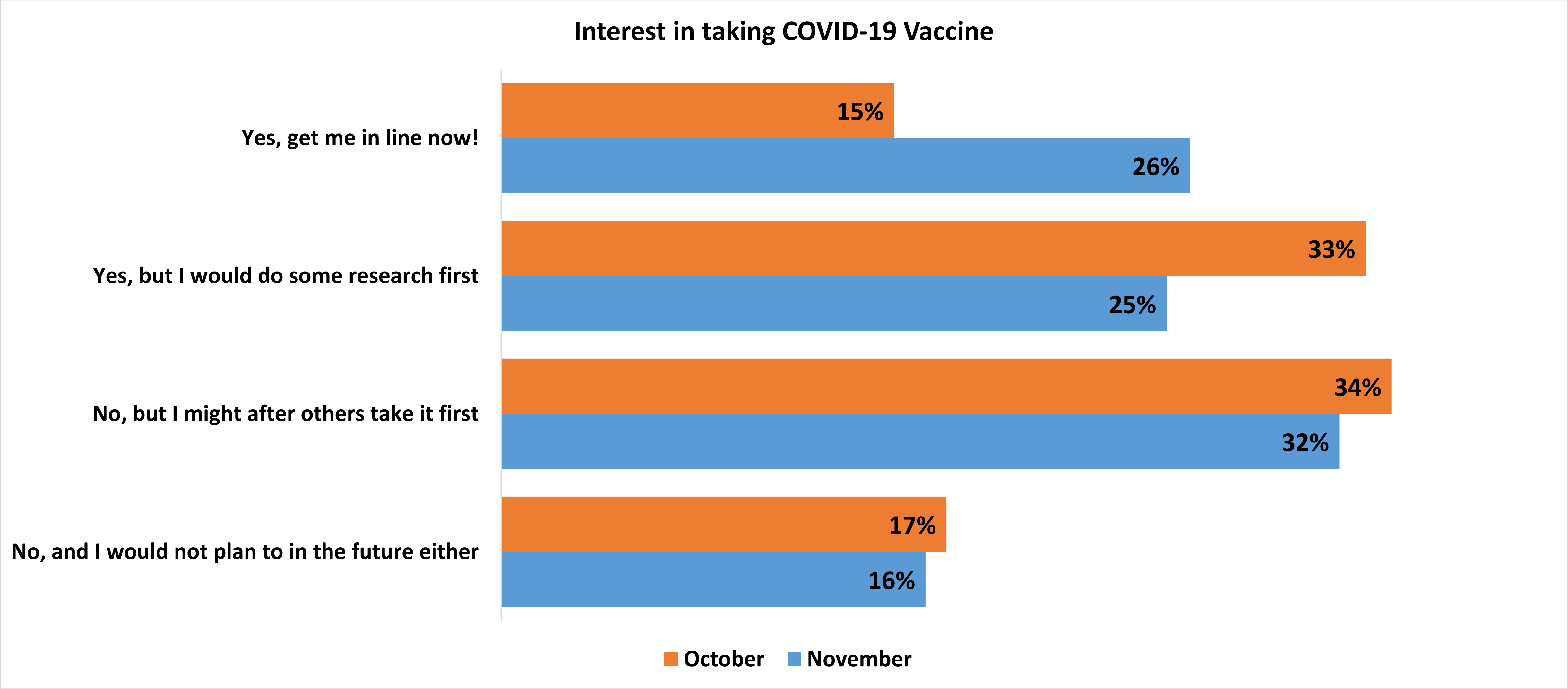


The **majority** of residents **(70%)** plan on holiday shopping in November**(43%)** and December **(27%),** however **41%** of holiday shoppers **plan on spending less** comparing to last year while only **2%** plans on spending **more**.

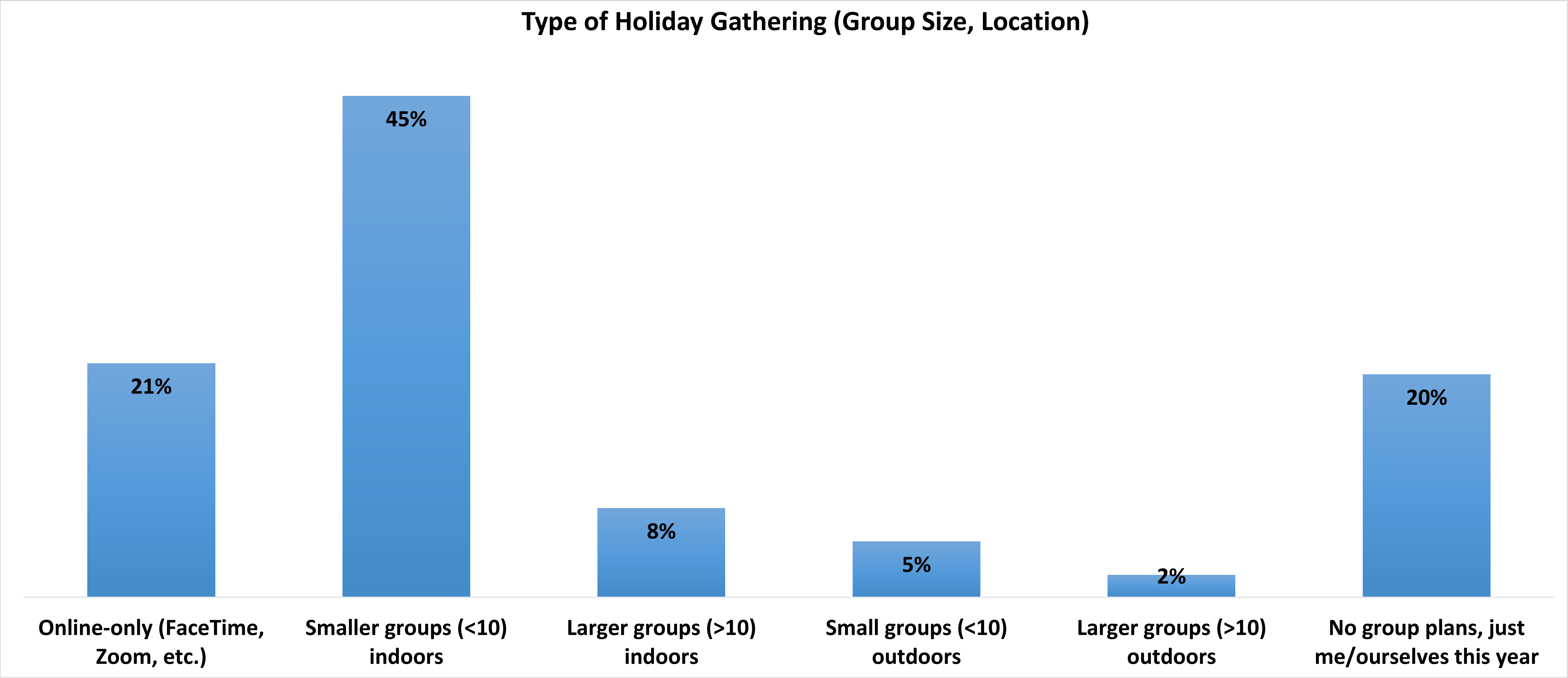




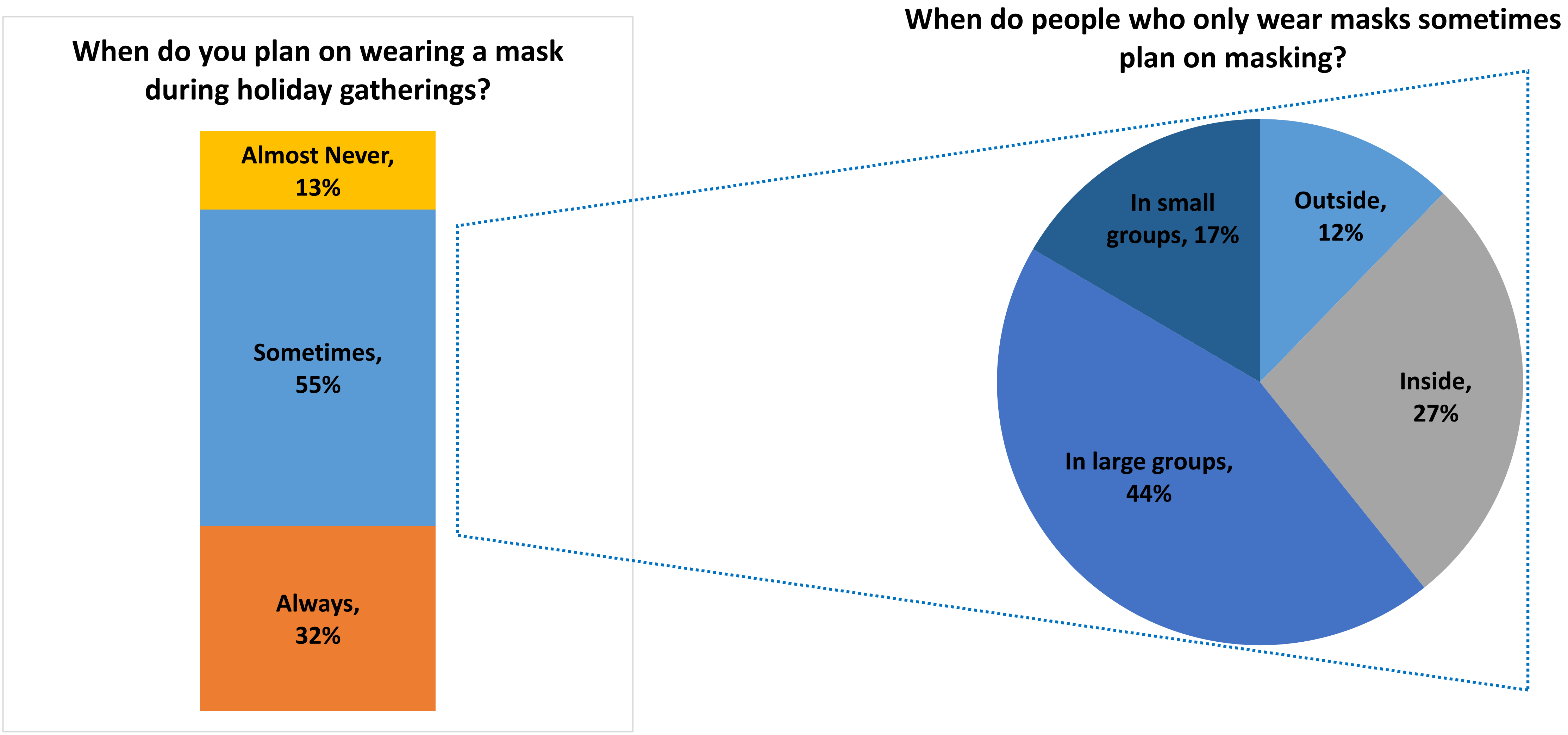
Consumer willingness to participate in COVID-19 vaccination has increased since last month. The share of **people ready** to take the vaccine increased from **15% to 26%** while the share of people not ever planning to get vaccinated dropped from 17% to 16%. **Majority of consumers** (57%) **are open to taking** the vaccine **after** they do more research or there is enough people vaccinated.



Holiday gathering plans have been affected by the pandemic. Approximately **41%** of residents plan on **online only gatherings** or **not gathering at all**. About **50%** are planning to gather in **small groups** and **10% in large groups**, with both type of gatherings happening most often **indoors**.



Approximately **32%** of residents **plan on wearing masks** whenever they can while **13% do not plan on masking** very often. More than a **half of residents** plan on wearing a mask only **sometimes**, mainly in large group gatherings and when inside of a building.



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Data source: Schmidt Market Research

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