

Consumer Sentiment Improved in May

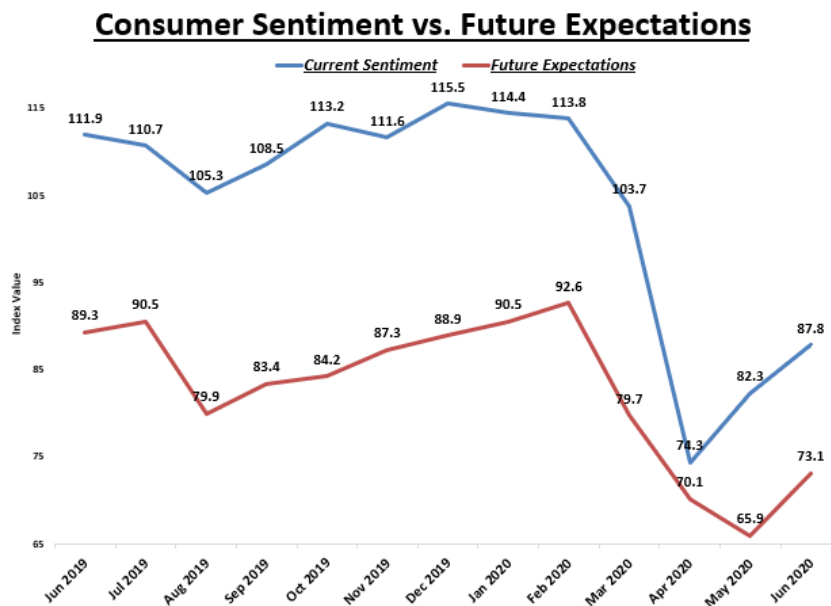
The way consumers feel about the economy is a vital metric, because consumer spending accounts for roughly 70% of the economy.

According to the [University of Michigan Survey of Consumers Sentiment](#), consumers' feelings about the economy were near record highs just in February, before the COVID-19 shock hit. Of course, sentiment nose-dived in March and April – falling about 30%. It rose slightly in May as the economy began to slowly reopen.

The preliminary reading for June shows a continued and larger increase. This will help boost production and help get more people back to work.

Sentiment is still about 20% below where it was in February, so the metric still has a way to go before it returns to pre-pandemic levels. But we are in a better spot than we were just a few weeks ago.

Also encouraging is the rebound in consumers' expectations for the future. In May, those expectations hit their lowest point since 2013. Hopefully, the initial cheerier outlook for the future remains and grows. The better consumers feel about the future, the more likely they are to spend, especially on more expensive durable products, like appliances, cars, and homes.



—Curtis Dubay, Senior Economist, U.S. Chamber of Commerce