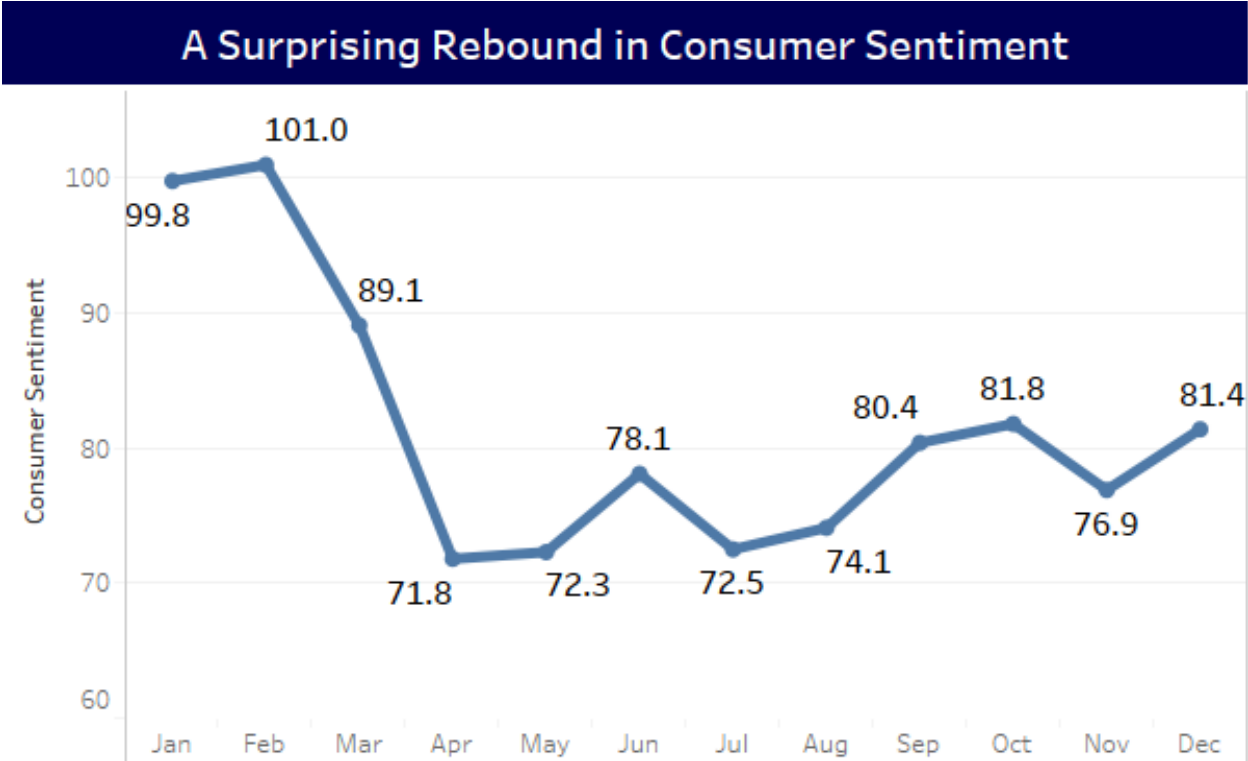


# An Unexpected Rise in Consumer Sentiment

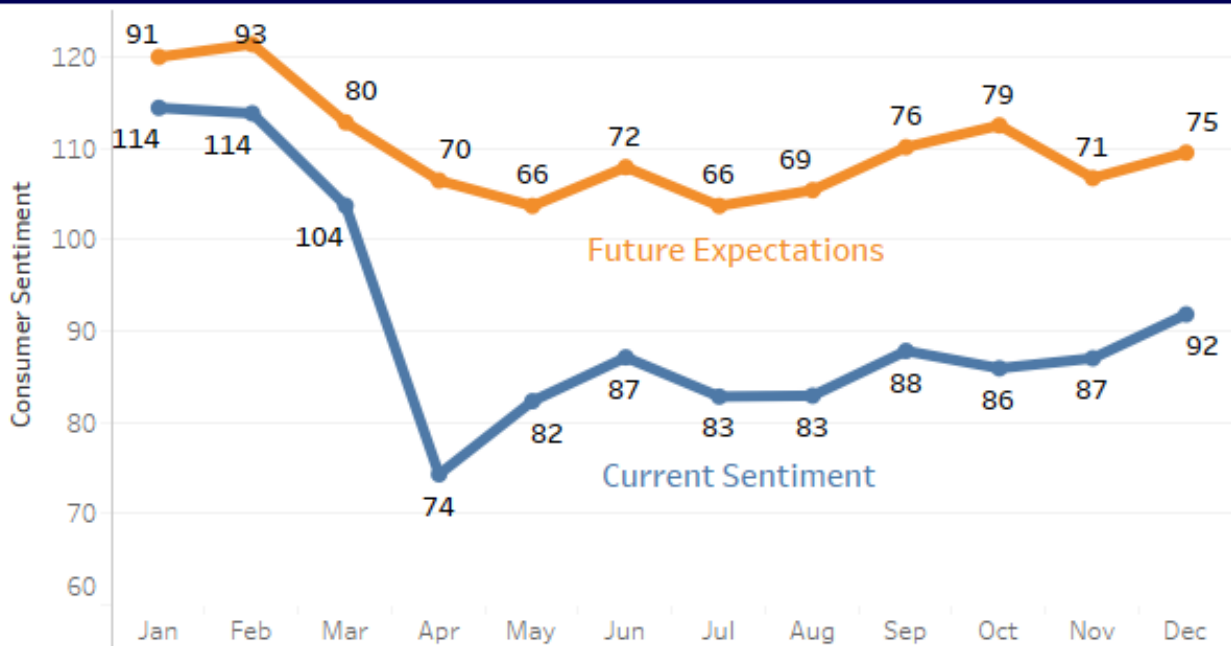
Initial [consumer sentiment for December](#) rose, according to the University of Michigan. With case levels rising and job losses mounting, we expected to see consumers feeling at best the same as they did in November. A further decline in sentiment would not have been surprising.



The index now stands just above 81 in December, but it is far below the pre-pandemic high of 101 in February.

The index score is composed of what consumers feel about the economy now and how they expect it to be between one and five years from now. Both measures ticked up strongly to start December.

## Current Sentiment & Future Expectations Rise



**Why did this happen?** The most straightforward explanation for both measures rising is that consumers have more fully digested the news about the efficacy of vaccines than they had in November. Thus, they are feeling better about both their short-term and long-term prospects.

**Big picture:** Even with both current and future expectations rising, the researchers said, “most of the early December gain was due to a more favorable long-term outlook for the economy, while year-ahead prospects for the economy, as well as personal finances, remained unchanged.”

**What’s next:** It is good news consumers are feeling better about the economy, no matter the reason. When consumers feel better, they spend more, which will drive growth.

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