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Bloomberg ® Consumer Comfort Index™ Weekly Analysis

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Faltering views of the national economy and personal finances knocked consumer sentiment back to its lowest level of the year this week, extending losses in three of the past four weeks that have pulled the Bloomberg Consumer Comfort Index down from more than a seven-year high.

The CCI lost 1.9 points this week to 42.7 on its scale of 0 to 100. It's seen larger one-week losses only 135 times before in more than 1,500 weeks of continuous polling, the last in early May.

The pullback comes after one of the CCI's strongest advances on record, up 12.5 points in four months to 47.3 at the end of January, its highest since early May 2007. It's given back 4.6 points in four weeks, back exactly to where it was in the last week of 2014.

The index is now 2.1 points short of its 2015 average, 44.8, and back near its long-term average, 41.6 in weekly polling since late 1985, after motoring past that mark in December.

The CCI, produced by [Langer Research Associates](#), is based on Americans' ratings of the national economy, their personal finances and whether or not they see this as a good time to spend money. It's the first two that have retrenched:

- At 35.7, the national economy subindex dropped 3.2 points to a 2015 low; it's suffered bigger one-week setbacks just 18 times in its history, eight of them during recessions. It's lost 6.6 points in four weeks from a seven-and-a-half-year high, 42.3, in late January. It's now 2.9 points off its 2015 average and only 1.7 points better than its long-term average.
- The personal finances subindex lost 2.8 points to 53.8, also its worst of the year. Larger one-week falls have occurred only 73 times in weekly data since late 1985. This gauge has lost 6.9 points from 60.7 five weeks ago, its best since shortly before the Great Recession. It's 3.4 points worse than its 2015 average and 1.4 points off its full average.
- The CCI's third component, the buying climate subindex, is essentially unchanged from last week, at 38.7. It's stayed within a narrow 2.7-point range this year, and is now just 1.2 points shy of the nearly eight-year high it managed in early January. It's almost identical to its 2015 average and 3.0 points better than its long-term average.

The CCI's stumbled despite recent strong employment and economic growth, and despite gains in economic expectations in last week's Bloomberg consumer survey. Economic yang includes still largely stagnant wages, tough sledding in the stock market and a recent rise in gas prices after a record four-month decline.

Among groups, the CCI for those most likely to be invested in the stock market suffered one of the biggest declines this week, falling 3.4 points among \$100,000-plus earners to 65.6, its worst since late November. The index among the broader \$50,000-plus group dropped the same amount, to 56.3, also its worst since late November. And at 31.2, the CCI is its lowest of the year among those earning less than \$50,000.

The index lost 3.8 points among Midwesterners, 3.6 points among men, 3.2 points in the West, 3.2 points among 45- to 54-year olds and 3.1 points among full-time workers, all their worst since at least December. It's also now its lowest since November among whites (41.6), single adults (38.9) and Republicans (38.2).

The CCI is 12.2 points better among Democrats than Republicans, an historically unusual gap that's steadily grown in the past five weeks to its largest since early April. Also unusually, it's higher among blacks than among whites for the sixth week, 47.0 vs. 41.6.

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