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Bloomberg ® Consumer Comfort Index™ Weekly Analysis

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**Contact: Langer Research Associates, 212 456-2621
info@langerresearch.com**

The Bloomberg Consumer Comfort Index hit a patch of late winter ice this week, stalling a five-week run of numerical gains as consumers' views of their own finances reached a nearly four-month low.

The CCI stands at -29.0 on its scale of -100 to +100, compared with its best-of-the-year -27.6 last week. That capped a five-week, 5.5-point gain led by improved views of the national economy.

While one week doesn't make a trend, the latest results may mark the impact of challenges, including higher home heating prices during the long winter, a sharp increase in food prices tied to California's drought and the rising price of gasoline, which hit a six-month high this week.

Consumers' expectations have chilled as well. In a separate, forward-looking measure, produced monthly, 24 percent say the economy's getting better, while 36 percent say it's getting worse – the latter up 6 points in the past month to its highest so far this year. (The rest see no change).

At the same time, today's 12-point gap between positive and negative expectations is better than the long-term average, 21 percentage points in survey data back to the mid-1980s.

The weekly CCI, produced for Bloomberg by Langer Research Associates, is based on Americans' ratings of the current national economy, the buying climate and their personal finances. Among them:

- With rising prices of necessities, the personal finances subindex, at +0.7, is its lowest since late November. It's dropped 4.4 points over the past two weeks and now stands 9.9 points off its 28-year average.
- In contrast, the buying climate subindex, at -38.1, is its best since mid-January, albeit 9.5 points from its average since late 1985.
- The national economy subindex is the weakest of the three measures, but one that has seen steady improvement since mid-January. At -49.6, it's now 18.1 points off its long-term average.

Regional differences appear to show the effects of the long winter in the Northeast and Midwest. The index among Northeasterners is -38.1, its worst since late November, while in the Midwest it's -33.2, its lowest in more than four months. In contrast, it's -26.5 in the West – and in the South, the CCI stands at -23.7, its best since the final week of last summer.

The index remains its highest among those with annual incomes of \$100,000 or more; at +17.5, it's been positive in this group for more than 13 months straight. It's -18.2 among those in the \$50,000-\$100,000 range, plummeting to -47.4 among the half of Americans with household incomes less than \$50,000 a year.

The CCI is better among Democrats than among Republicans (-18.7 vs. -35.1 this week) for the 21st week straight. Independents, with an index of -32.6, look similar to Republicans, a sign of the Democratic Party's difficulties in this midterm elections ahead.

There's a similar divide in expectations, with 46 percent of Democrats saying the economy is getting better, compared with 12 percent of Republicans and 17 percent of independents. And the share of Republicans who say things are getting worse increased from 43 percent in February to 57 percent this month. It's 41 percent among independents.

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