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Bloomberg ® Consumer Comfort Index™ Weekly Analysis

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Contact: Langer Research Associates, 212 456-2621

info@langerresearch.com

Amid signs of widening inequality among income groups, the Bloomberg Consumer Comfort Index eased further this week off its recent nearly eight-year high, a retreat led by lagging ratings of personal finances among middle and lower-income Americans.

While consumer sentiment has improved overall from its recession and post-recession slump, that's been particularly true among those most well off. The CCI's shot up by 9.2 points in the last six weeks to a lofty 74.1 among those with \$100,000-plus incomes, its best since August 2007 and just 4.6 points shy of the all-time high in this group in available data back to mid-2004.

At the other end of the economic spectrum, the index is a paltry 22.6 among those with incomes less than \$15,000, its lowest since early December. The 51.5-point gap between these groups is its widest since just before the recession, and has been bigger 18 times in more than 500 weeks of available data.

Heightened economic disparity may be related to countervailing trends: recent highs in a generally well-performing stock market, in which higher-income individuals are more heavily invested; and lagging wage growth combined with disproportionate low-wage job creation.

Overall, the CCI's lost 2.5 points in two weeks to 45.4 on its scale of 0 to 100, essentially where it was a month ago and close to its 2015 average, 45.0. After a great run at the end of 2014, it's been an up and down year to date, with the index reaching highs since the start of the Great Recession twice – in January and earlier this month – but then stumbling each time.

Even with the past two weeks' pullback, the index still is ahead of its long-term average in polling back to late 1985, 41.7, and nearly identical to its pre-recession average, 45.3.

Produced by [Langer Research Associates](#), the CCI is based on Americans' ratings of the current condition of the national economy, their personal finances and whether or not they think it's a good time to spend money. The personal finances subindex is the main culprit in the most recent correction, despite what's been generally strong growth for the CCI in the last half year.

After reaching its second best in seven and a half years, the personal finances subindex has lost 4.5 points in the last two weeks, down to 56.0. Bigger two-week losses have occurred only 30

times in more than 1,500 weeks of continuous polling. This subindex is near its 2015 average, 57.3, and only numerically exceeds its full 29-year average, 55.2.

The personal finances gauge is up (numerically, if not significantly) by 2.9 points among \$100,000-plus earners in the past two weeks, while down by 4.7 points among those with incomes of \$50,000 or less.

The other two components held essentially steady this week, with the economy subindex at 37.6 (compared with a seven-and-a-half-year high of 42.3 in January) and the buying climate subindex at 42.5 (still near its more than eight-year high of 43.8 just two weeks ago).

Some groups have held on better than others. The index is 51.2 among 35- to 44-year-olds, tying its highest in seven and a half years. At 50.9, the CCI among Midwesterners is its second best in nearly eight years. And it's 46.0 among whites, 1.4 points from its pre-recession best in January, but 36.7 among blacks, down by 12.6 points just since early February.

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