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Bloomberg ® Consumer Comfort Index™ Weekly Analysis

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A springtime decline in consumer sentiment halted this week, with an increase in positive ratings of the buying climate – and a brighter outlook among women, now at a nearly six-and-a-half year high – boosting the Bloomberg Consumer Comfort Index to a healthy rebound.

The gain to 35.1 on the CCI's scale of 0 to 100 reverses a monthlong, 4.6-point decline that pulled the index down from 37.9 on April 27, its second best since early in the Great Recession. The CCI's now back to its average for 2014, far from ideal but still its best run in the first five months of any year since 2007.

Similarly, after losing 6.0 points in the past four weeks, the CCI's buying climate subindex reversed course, gaining 2.7 points this week, its largest one-week increase in more than a year.

Notably, at 35.1, the index is its best among women since early January 2008, and numerically (albeit not significantly) higher than its level among men, 35.0, for the first time since August 2012 – and for only the 17th time in available data since mid-1990. It's averaged 7.7 points higher among men than women over that time.

Economic indicators offered some positive news last week, with a drop in the number of jobless claims and the Dow and S&P 500 setting new highs; the CCI correlates strongly with these over time. Plenty of challenges remain, including the first quarter's weak GDP, flat incomes and still-high unemployment. Indeed the CCI remains 10.2 points short of its pre-recession average, 45.3.

The Consumer Comfort Index, 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. Among them:

- The buying climate subindex, at 31.7, as noted, is up a substantial 2.7 points since last week, and now stands 4.0 points from its average in weekly polls since late 1985.
- The personal finances subindex, at 50.4, is back above the 50.0 midpoint after falling below it last week for the first time since early April. It's 4.9 points off its long-term average.

- The national economy subindex, at 23.1, is its best in five weeks, but remains the weakest of the three measures, 11.1 points from its average.

The gender gap in the CCI, essentially nonexistent this week, is its smallest in more than 21 months. It's been shrinking, moreover, in recent years: Before the Great Recession, the index averaged 8.6 points higher among men than women (49.8 vs. 41.2). Since 2008 the average gap has closed to 5.3 points (32.1 among men, 26.8 among women).

The index has averaged 6.0 points higher among men than among women in 2014, close to the average since 2008 overall. But there's been movement the past month and a half. On April 20, the CCI was 43.4 among men, its highest since January 2008, outpointing women by 11.9 points. Since then it's lost 8.4 points among men and gained 3.6 points among women.

Among other groups, at 57.2, the CCI has surpassed its midpoint among those earning \$100,000 or more for 16 months straight. It's also above 50.0 in the \$75,000 to \$100,000 income bracket – 52.2, its best in this group since late September, with the rising stock market a likely factor. At the other end of the economic spectrum, the index drops to 23.4 among those earning less than \$50,000, and lower still among those less well-off.

Finally, in a rare example of bipartisan similarity in this midterm year, there's virtually no gap in the CCI among Democrats (38.0) vs. Republicans (37.3) this week. (Among independents, it's 32.7.) The index among Republicans is 2.9 points above its average in 2014, 34.4, while among Democrats it's 1.3 points off its average this year, 39.3.

As of May 1, the index was rescaled to 0-100 for ease of interpretation. See details [here](#).

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