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Bloomberg ® Consumer Comfort Index™ Weekly Analysis

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Views of the national economy reached their second best since the start of the Great Recession this week, as the Bloomberg Consumer Comfort Index held steady at one of its best readings since early 2008.

The CCI stands at 37.1 on its scale of 0 to 100 for the second week straight, after gaining 3.8 points in the previous three weeks, reversing a drop of 4.6 points in May. It's poised to finish the second quarter of the year next week as its best Q2 since 2007.

Gains in the overall index have been driven by improving views of the current economy – an important trend, because ratings of the national economy have been a deadweight on broader consumer sentiment. At 27.4, the CCI's national economy subindex has gained 6.8 points in five weeks and is now a bare 0.1 points off its best in six and a half years, 27.5 in early August.

Advances in views of the economy were buttressed by a pair of housing reports this week, showing the sharpest increase in sales of previously owned homes in nearly three years and new home sales their best in six years. Gains in employment and the strong performance of the markets don't hurt. But the recent rise in consumer prices – particularly in energy and food costs – could threaten consumer sentiment. Slow income growth remains another risk.

The weekly CCI, produced by [Langer Research Associates](#), is based on Americans' ratings of the national economy, their personal finances and the buying climate. Among its individual gauges:

- As noted, the national economy subindex, at 27.4, is its second best since early 2008. It remains the weakest of the subindices, 6.7 points off its long-term average in weekly surveys since late 1985. That said, it's now 13.6 points better than its post-meltdown average (i.e., since 2008).
- Having gained 3.7 points in the past four weeks, the buying climate subindex is now 32.7, its best in seven weeks and 6.0 points better than its average since the start of the 2008. It's 3.0 points from its long-term average.

- At 51.1, the personal finances subindex is still the best of the three components, and above its midpoint of 50.0 for the fourth week straight. It's 3.2 points above its average since January 2008 and 4.2 points below its 28-year average.

The overall CCI, for its part, now stands 7.7 points higher than its average since 2008, 29.4. But even with its recent improvement, the CCI remains well off its average, 41.7.

Among groups, the index among part-time workers, 36.4, is its best in two years, while among those who are employed full-time it's 45.2, its second best in nearly a year. These readings are 2.7 and 0.6 points off their respective averages in available data since mid-1990. The index among those not employed for pay, however, is 28.6, its lowest in more than four months and 7.1 points from its average.

Among those with at least some college education, the index is 43.4, its best in two months, compared with 32.4 among those with just a high-school degree, 4.4 and 5.4 points off their long-term averages, respectively. (It's weak in particular among those with less than a high-school diploma, given their lack of economic opportunity.)

The CCI among blacks, 38.2, is its second best since mid-August, and numerically exceeds its level among whites, 36.3, for the first time in six weeks. For perspective, the long-term average is 11.8 points higher among whites than blacks.

The index also reached a notable high for the second week straight among single adults (40.4, its best since early August), and is its highest since early October among residents of the Midwest (39.1). Finally, anticipating the upcoming midterm elections, a substantial partisan gap continues this week, with the index higher among Democrats than among Republicans, 42.8 vs. 38.2. It drops to 32.8 among political independents.

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