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Bloomberg ® Consumer Comfort Index™ Weekly Analysis

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An unusually sharp one-week improvement in views of the national economy boosted the Bloomberg Consumer Comfort Index out of a two-week slump this week – but not enough to break its longer-term pattern of slow and fitful gains.

The CCI advanced by 2.0 points to 36.8, reversing a two-week slide in which it lost 2.4 points, reaching its lowest since late May last week. Its current level marks a return to the 1.5-point range, 36.2 to 37.7, it held between mid-June and mid-September – up from the depths of the downturn, but still off its long-term average, 41.6, in weekly polls since late 1985.

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

- The national economy subindex, at 25.6, is up 3.2 points from last week, its largest weekly increase since late 2007. That said, it was higher as recently as late August (26.7), and remains the weakest of the three gauges, 8.5 points off its long-term average.
- The personal finances subindex, at 51.0, remains the strongest of the three subindices; it's been above its 50.0 midpoint for 19 weeks straight, tying its best run at this level since living there from late 1993 through early 2008. It's now 4.2 points off its 28-year average.
- The buying climate subindex stands at 33.8, its best in nearly three months. It's the closest measure to its long-term average, off by just 1.8 points.

The CCI's uneven path mirrors other mixed economic indicators. September's jobless rate hit a six-year low, but that's partly due to labor force dropouts. And wage growth – another key element of consumer sentiment – was stagnant.

For all that, the index finished the third quarter last week as its best since Q4 2007. And it's at post-recession highs this week among some groups – people who've attended college, homeowners and Midwesterners.

The CCI among those with at least some college work, 44.5, is its best since the last week of 2007, 3.0 points above its average this year. Among high school graduates it's 30.5, essentially matching its 2014 average; that dives to the teens among those who lack a high school diploma.

The index is 42.6 among homeowners, its best in nearly seven years, vs. 26.8 among renters, the largest gap between them in four years, save last week. And it's 41.2 among Midwesterners, its best since mid-December 2007. That compares with 36.5 in the South, 35.3 in the West and 33.9 in the Northeast.

In other groups, the CCI is 61.6 among those with annual incomes of \$100,000 or more, its best since mid-April; and 51.2 among the broader category of those earning \$50,000 or more, above its midpoint of 50.0 for the first time in nearly two months. It falls to 25.7 among the half of Americans with household incomes less than \$50,000 a year.

The CCI is 38.1 among whites, tying its best in more than a year and 2.1 points above its 2014 average; it's 30.1 among blacks, 2.1 points below its average for the year.

In partisan terms, the index among Republicans is 41.3, its best in more than a year. It's about the same, 41.9, among Democrats, nearly 3.0 points below their peak for the year in late August. The gap between the two groups is its smallest in four months. And with the midterm elections looming, the CCI is notably lower among potentially swing-voting independents, 31.4.

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