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Bloomberg ® Consumer Comfort Index™ Weekly Analysis

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The Bloomberg Consumer Comfort Index reached a milestone this week, surpassing 40.0 on its 0-100 scale for the first time since late 2007 – an indication, just in time for the holiday shopping season, that consumers at last are feeling some impacts of economic recovery.

The CCI stands at 40.7 on its 0-100 scale, its best in almost seven years and a scant 0.9 points off its nearly 29-year average. The index has gained sharply in the past two months, up by 5.9 points, including an unusually sharp 2.2-point advance this week alone.

The improvement, moreover, has been broad, with gains in each of the CCI's three components in recent weeks – with further significant increases in each just this week.

The CCI, produced by Langer Research Associates, is based on Americans' ratings of the national economy, their personal finances and the buying climate, collected in weekly surveys since late 1985. Among them:

- The national economy subindex, 30.9, is up a sharp 2.7 points just this week, to its best since the first week of 2008 – more than double its average since the beginning of that year, 14.6, and just 3.1 points from its long-term average.
- The buying climate subindex, at 35.1, climbed 2.3 points this week to its best in just more than seven years. It's now 8.0 points above its average since the start of 2008, 27.1, and a mere 0.5 points from its full average.
- Ratings of personal finances, with a subindex of 56.1, remain the strongest of the three, up 1.7 points from last week and 8.0 points above its average since the start of 2008, 48.1. It's 0.9 points above its average since the index began.

The overall index stands 10.8 points above its average since 2008, 29.9, as well as nearly matching its full average, 41.6. That said, it's 4.6 points from its pre-recession average from late 1985 through the end of 2007.

The recent improvement in the CCI offers hope to retailers heading into the holidays – and is consistent with brighter economic news of late. The number of jobless claims has been below

300,000 for 10 weeks straight. The Consumer Price Index was flat in October, helped by still-falling gas prices, which reached their lowest in more than four years this week. And Q3 GDP growth was revised upward this week, topping expectations.

The CCI is at long-term highs among several groups. The index among homeowners is its best in seven years, 45.7, while sharply lower, 32.8, among renters. It's 42.4 among whites, also its highest since November 2007, vs. 34.0 among blacks.

The index among those in the highest-earning households (\$100,000 or more) has reached 65.0, its best since early November 2007 (compared with 18.1 at the opposite end of the income scale, those with incomes less than \$15,000).

Among men, the CCI is 45.9, its best in nearly seven years, while it's much lower, 35.8, among women. The gap between the two is its largest in seven months.

The index is its highest since early 2008 among part-time workers, 43.9, almost as high as its level among those employed full time, 45.6. It's lower, 34.3, among those not employed for pay.

Lastly, in terms of partisanship, the index among independents, 39.1, is its best in seven years. It's essentially the same among Republicans, 39.0, while higher among Democrats, 45.4, its best in nearly 16 months.

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