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Bloomberg ® Consumer Comfort Index™ Weekly Analysis

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The Bloomberg Consumer Comfort Index reached a long-elusive milestone this week, exceeding its long-term average for the first time since summer 2007. Economic optimism matched a two-year high, adding to the positive news.

The CCI, based on views of current economic conditions, reached 41.7 on its scale of 0 to 100, its best since early November 2007, just before the Great Recession sent economic sentiment into a tailspin. The index has averaged 41.6 in continuous weekly surveys 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; the first two have advanced sharply in recent weeks, boosting the CCI overall to gains of 3.2 points in the past month and 6.9 points in two and a half months.

Even while it's inched numerically ahead of its long-term average, the index still has some work ahead, given that its long-term average has been depressed by the seven-year recession-inspired slump. The CCI's pre-recession average was 45.3.

Expectations are assessed in a separate, forward-looking monthly measure on the economy's direction. In that gauge, the number of Americans who say the national economy is improving numerically exceeds the number who say it's getting worse for only the second time since November 2012.

Among the CCI's individual components, the buying climate subindex, at 38.4, is its highest since mid-August 2007, up by 5.6 points in four weeks. It's now 2.8 points clear of its long-term average, the only subindex to exceed its full average, though the other two are very close. The buying climate gauge has more than doubled from its record low, 18.0, in 2008.

The economy subindex is up to 32.5 this week, rising 4.3 points in the last month, a critical factor because views of the national economy have been particularly resistant to improvement. This subindex, now 1.5 points shy of its 29-year average, bottomed out at 4.0 in February 2009.

For its part, the personal finances subindex stands at 54.1, still by far the best of the three, but with little recent improvement. It's the same now as six weeks ago, backing off by 2.0 points from a six-and-a-half-year high three weeks ago. Still, it's just 1.1 points from its average.

These results comport with recent positive news in terms of job creation, wages, retail sales and gas prices, all just in time for the holiday shopping season.

The survey's separate measure of economic expectations encourages cautious optimism. Thirty-two percent say the economy is getting better, tying the most since December 2012. While 30 percent say it's getting worse, that ties the fewest in almost four years.

The positive, 2-point better/worse gap marks just the second time in the last two years when positive expectations have numerically exceeded negative ones (the other was in October), and just the fourth time since February 2011.

The CCI's at long-term highs among several groups, many of which reached similar highs last week. Most notably, at 38.5, the index among women is its best since mid-November 2007. It's still better among men, 45.1, but that's slightly off its recent high in that group three weeks ago. And for the second straight week the index among 18- to 34-year olds is its highest since the first week of 2008, and its best among all age groups.

The CCI among people in \$100,000-plus households is its best since late October 2007; at 68.1, it's by far its highest among any demographic group. More broadly, the index among people in \$50,000-plus households, 57.7, is its highest since mid-August 2007.

The CCI's also at highs since at least January 2008 among those who've attended college (48.7), full-time workers (47.8) and married individuals (44.2).

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